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1977-1978

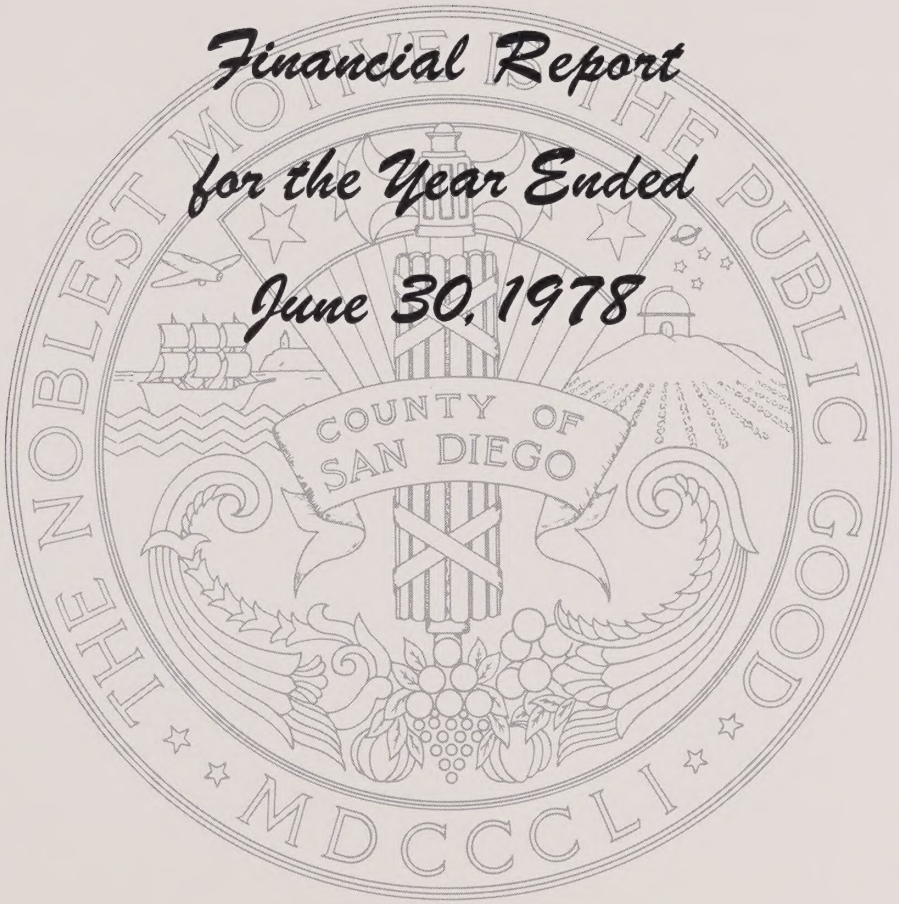
County of San Diego

State of California

Financial Report

for the Year Ended

June 30, 1978



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Gerald J. Lonergan

COUNTY AUDITOR AND CONTROLLER

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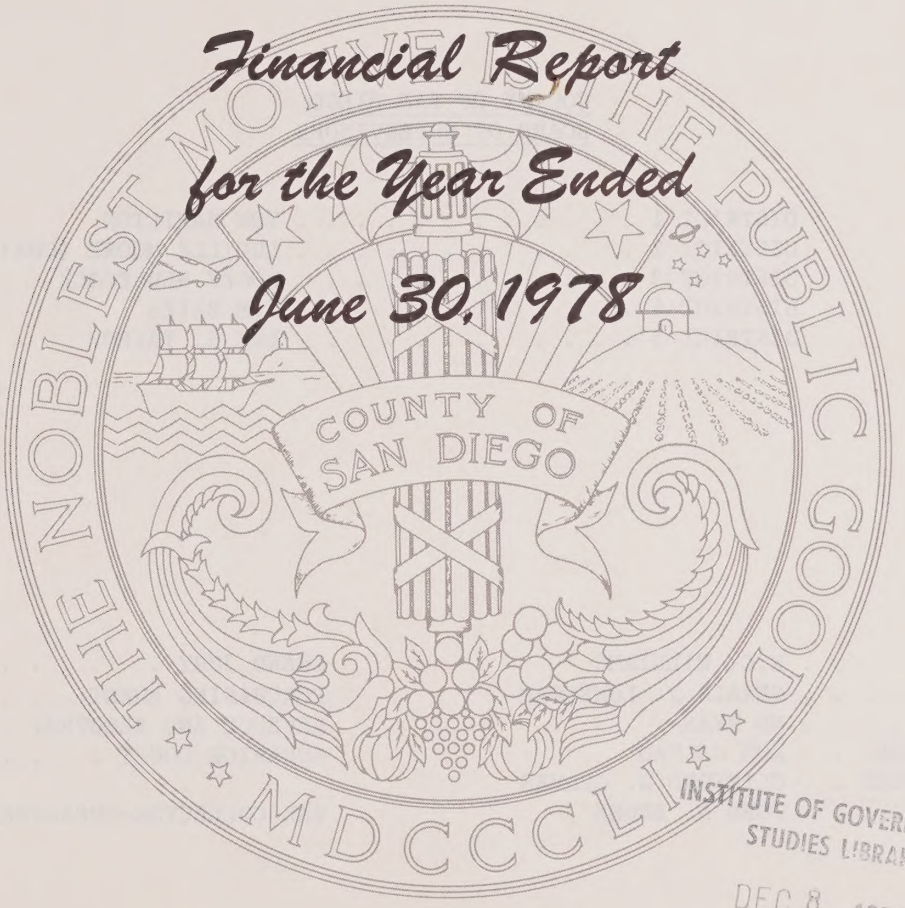
Financial Report

for the Year Ended

June 30, 1978



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COUNTY AUDITOR AND CONTROLLER

AND

ROD CALVAO

ASSISTANT COUNTY CONTROLLER

BY THE GENERAL ACCOUNTING UNIT

COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS

DISTRICT 1	TOM HAMILTON
DISTRICT 2	LUCILLE MOORE (CHAIRWOMAN)
DISTRICT 3	ROGER HEDGECOCK
DISTRICT 4	JIM BATES
DISTRICT 5	LEE R. TAYLOR

ASSESSOR	E.C. WILLIAMS
AUDITOR AND CONTROLLER	GERALD J. LONERGAN
ASSISTANT COUNTY AUDITOR	ED RYAN
ASSISTANT COUNTY CONTROLLER	ROD CALVAO
CHIEF ADMINISTRATIVE OFFICER	CLIFFORD W. GRAVES
FISCAL AND JUSTICE AGENCY	JOHN A. BRUHN
GRAND JURY	JUNE D. MOESER (FOREMAN)
PURCHASING AGENT	JAMES C. TAPP
REVENUE AND RECOVERY	MORRIS P. PION
SUPERIOR COURT	FRANKLIN B. ORFIELD, PRESIDING JUDGE
TAX COLLECTOR-TREASURER	JAMES E. JONES

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County of San Diego

OFFICE OF THE AUDITOR AND CONTROLLER

ROOM 166, COUNTY ADMINISTRATION CENTER
1600 PACIFIC HIGHWAY
SAN DIEGO, CALIFORNIA 92101
TELEPHONE 714 236-3711

Gerald J. Lonergan
Auditor and Controller

OCTOBER 5, 1978

THE HONORABLE BOARD OF SUPERVISORS
COUNTY OF SAN DIEGO
SAN DIEGO COUNTY ADMINISTRATION CENTER
SAN DIEGO, CALIFORNIA 92101

THE FINANCIAL REPORT OF THE COUNTY OF SAN DIEGO FOR THE FISCAL YEAR ENDED JUNE 30, 1978, IS HEREBY SUBMITTED IN COMPLIANCE WITH SECTION 25253 OF THE GOVERNMENT CODE OF THE STATE OF CALIFORNIA, AND SECTION 34.3 OF THE SAN DIEGO COUNTY CHARTER.

READERS OF THIS REPORT SHOULD UNDERSTAND THAT CERTAIN OF THE FUNDS RETAINED IN THE COUNTY TREASURY REPRESENT "TRUST AND AGENCY" FUNDS WHICH MAY BE THE PROPERTY OF OTHER GOVERNMENT AGENCIES, AND AS SUCH ARE NOT AVAILABLE FOR THE USE OF COUNTY GOVERNMENT. THE COUNTY AUDITOR IS ALSO THE EX-OFFICIO AUDITOR OF NUMEROUS GOVERNMENT AGENCIES. THIS REPORT INCORPORATES THE TRUSTEE RELATIONSHIP FOR ALL FUNDS HELD IN THE COUNTY TREASURY WHEN THE COUNTY AUDITOR EXERCISES THE DUAL RELATIONSHIP AS EX-OFFICIO AUDITOR FOR SUCH AGENCIES. FUNDS WHICH ARE HELD IN TRUST FOR OTHER GOVERNMENT AGENCIES ARE CLEARLY IDENTIFIED THROUGHOUT THIS REPORT TO DISTINGUISH THEM FROM COUNTY FUNDS.

FINANCIAL OPERATING HIGHLIGHTS
COUNTY GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS
REVENUES, EXPENDITURES, AND FUND BALANCE
IN MILLIONS OF DOLLARS

	1977-78 AMOUNT	1977-78 PERCENT	1976-77 AMOUNT	1976-77 PERCENT	PERCENT INCREASE 1978 OVER 1977
SOURCE OF FUNDS:					
FUND BALANCES, BEGINNING OF YEAR	$ 65.4	11.8	$ 64.9	12.9	.7
TAXES	162.6	29.2	163.9	32.4	(.8)
LICENSES AND PERMITS	7.7	1.4	7.0	1.4	10.0
FINES, FORFEITURES AND PENALTIES	4.9	.9	4.5	.9	8.9
USE OF MONEY AND PROPERTY	10.3	1.9	9.5	1.9	8.4
AID FROM OTHER GOVERNMENTAL AGENCIES - STATE	130.4	23.4	115.5	22.9	12.9
AID FROM OTHER GOVERNMENTAL AGENCIES - FEDERAL	136.4	24.5	110.6	21.9	23.3
CHARGES FOR CURRENT SERVICES	29.8	5.4	25.4	5.0	17.3
OTHER	8.5	1.5	3.4	.7	150.0
TOTAL SOURCE OF FUNDS	556.0	100.0	504.7	100.0	10.2
EXPENDITURES AND ENCUMBRANCES:					
GENERAL GOVERNMENT	100.5	20.7	86.1	19.6	16.7
PUBLIC PROTECTION	90.5	18.6	86.4	19.7	4.7
PUBLIC WAYS AND FACILITIES	42.0	8.7	33.5	7.6	25.4
HEALTH AND SANITATION	52.6	10.8	53.9	12.2	(2.4)
PUBLIC ASSISTANCE	188.9	38.9	169.6	38.6	11.4
EDUCATION	4.2	.9	4.2	1.0	-0-
RECREATION AND CULTURAL	4.9	1.0	3.1	.7	58.1
DEBT SERVICE	1.7	.4	2.5	.6	(32.0)
TOTAL EXPENDITURES AND ENCUMBRANCES	485.3	100.0	439.3	100.0	10.5
FUND BALANCE, END OF YEAR	$ 70.7		$ 65.4		

THE ENDING FUND BALANCES ARE THE RESULT OF:

	1977-78 TOTAL	1977-78 GENERAL FUND AND DEBT SERVICE	1977-78 SPECIAL REVENUE FUNDS	1976-77 TOTAL	1976-77 GENERAL FUND AND DEBT SERVICE	1976-77 SPECIAL REVENUE FUNDS
EXCESS OF REVENUE REALIZED OVER REVENUE BUDGETED	$(15.6)	(27.1)	11.5	$ 4.1	(8.5)	12.6
SAVINGS REALIZED BETWEEN ACTUAL EXPENDITURES AND BUDGETED EXPENDITURES	84.8	58.1	26.7	59.9	36.1	23.8
LOCAL TRANSPORTATION FUND BALANCE UNAPPROPRIATED	1.5	___	1.5	1.4	___	1.4
FUND BALANCE, END OF YEAR	$ 70.7	31.0	39.7	$65.4	27.6	37.8

REVENUE

THE MAJOR SOURCES OF REVENUE TO THE COUNTY WERE PROVIDED BY THE FEDERAL GOVERNMENT AND THE STATE OF CALIFORNIA, COLLECTIVELY AMOUNTING TO 54% OF TOTAL REVENUE. WE HAVE EXPRESSED CONCERN FOR SEVERAL YEARS THAT THE INCREASING RELIANCE UPON FUNDING SOURCES OBTAINED FROM STATE AND FEDERAL GOVERNMENTS CONTINUES TO DIMINISH THE COUNTY'S AUTHORITY TO CONTROL THE SCOPE AND MAGNITUDE OF ITS FISCAL OPERATIONS.

DURING THE YEAR 1978-79 AND IN SUBSEQUENT YEARS, THE LEVEL OF INFLUENCE EXERTED BY STATE AND FEDERAL GOVERNMENTS IS EXPECTED TO INCREASE DRAMATICALLY AS A RESULT OF THE PASSAGE IN CALIFORNIA OF PROPOSITION 13, THE TAX REFORM INITIATIVE. THIS SUBJECT IS DISCUSSED FURTHER UNDER THE HEADING PROSPECTS FOR THE FUTURE.

PROPERTY TAXES COLLECTED DURING THE YEAR 1977-78 AMOUNTED TO $132.3 MILLION OR 27.0% OF ALL FUNDS RECEIVED, COMPARED WITH $138.6 MILLION OR 32.6% THE PRECEEDING YEAR. THIS REFLECTS A CONTINUATION OF THE TREND IN RECENT YEARS TO REDUCE RELIANCE ON PROPERTY TAXES. THIS SHIFT WILL BE ACCELERATED SUBSTANTIALLY BY PROPOSITION 13.

ASSESSED VALUATIONS OF REAL AND PERSONAL PROPERTY INCREASED $1,070 MILLION OR 16.6% DURING THE FISCAL YEAR ENDED JUNE 30, 1978.

FEDERAL REVENUE SHARING FUNDS OF $20.3 MILLION WERE USED THIS YEAR. $6.5 MILLION OF THESE FUNDS WAS USED FOR LAND ACQUISITION, STRUCTURES AND IMPROVEMENTS, $6.9 MILLION TO FINANCE HUMAN CARE SERVICES PROJECTS, AND $6.9 MILLION TO FINANCE GENERAL GOVERNMENT EXPENDITURES. SAN DIEGO COUNTY HAS RECEIVED $103.0 MILLION IN REVENUE SHARING FUNDS THROUGH JUNE 30, 1978, INCLUDING INTEREST OF $10.8 MILLION EARNED ON FUNDS INVESTED PRIOR TO ACTUAL USE. THE BALANCE OF UNCOMMITTED FEDERAL REVENUE SHARING FUNDS AT JUNE 30, 1978 WAS $9.6 MILLION.

DURING THE YEAR 1977-78, AS PART OF OUR LEGISLATIVE EFFORTS, THE COUNTY WAS SUCCESSFUL IN OBTAINING ENACTMENT OF LEGISLATION DIRECTING THE STATE CONTROLLER TO ACCELERATE DISTRIBUTION OF MOTOR VEHICLE LICENSE FEES. UNDER THE NEW LAW, 100% OF THE BALANCE OF FEES IN THE TRANSPORTATION TAX FUND AT THE END OF EACH MONTH WILL BE ALLOCATED TO THE CITIES AND COUNTIES RATHER THAN THE 90% MINIMUM REQUIRED BY PREVIOUS LAW. SAN DIEGO COUNTY WILL RECEIVE APPROXIMATELY $1.7 MILLION ADDITIONAL REVENUES IN 1978-79 AS A RESULT OF THIS LEGISLATION.

EXPENDITURES

TOTAL EXPENDITURES FOR THE FISCAL YEAR ENDED JUNE 30, 1978 WERE $485.3 MILLION OR 10.5% HIGHER THAN THE PRIOR YEAR. THE MAJOR AREAS OF INCREASED EXPENDITURES INCLUDE PUBLIC WAYS AND FACILITIES $8.5 MILLION OR 25.4%, INCLUDING $6.5 MILLION IN LOCAL TRANSPORTATION FUNDS. PUBLIC ASSISTANCE, WHICH IS MANDATED BY THE STATE, INCREASED $19.3 MILLION OR 11.4%, PUBLIC PROTECTION, $4.1 MILLION OR 4.7%, AND GENERAL GOVERNMENT, $14.4 MILLION OR 16.7%. THE MAJOR INCREASES IN GENERAL GOVERNMENT EXPENDITURES WERE FOR CAPITAL FACILITIES $5.0 MILLION, FOR USE OF PROPERTY $2.6 MILLION, ELECTION COSTS $1.0 MILLION, HOUSING DEVELOPMENT $1.2 MILLION, AND INCREASED EXPENDITURE OF ANTIRECESSION FUNDS $4.6 MILLION.

STATUS OF COUNTY DEBT

ALL BONDED DEBT REDEMPTIONS AND INTEREST PAYMENTS OF THE COUNTY AND THOSE AGENCIES FOR WHOM DEBT SERVICE IS ADMINISTERED BY THE COUNTY WERE LIQUIDATED AS REQUIRED DURING THE YEAR. DEBT SERVICE RESERVES AT JUNE 30, 1978 ARE ADEQUATE TO MEET ALL REQUIREMENTS FALLING DUE PRIOR TO DELINQUENCY DATES FOR COLLECTION OF TAX LEVIES.

THE COUNTY'S GENERAL OBLIGATION BONDED DEBT WAS REDUCED TO $2,260,000 AT JUNE 30, 1978, WHICH REPRESENTS ONLY 0.6% OF ALLOWABLE DEBT CAPACITY OF $374,991,581. PROVISIONS OF PROPOSITION 13 HAVE EFFECTIVELY PRECLUDED THE COUNTY FROM FUTURE ISSUANCE OF GENERAL OBLIGATION BONDS.

THE COUNTY HAS CONTINUED ITS PROGRAM, ESTABLISHED IN 1967, OF FINANCING ITS OWN CASH REQUIREMENTS PRIOR TO COLLECTION OF TAXES, THROUGH THE ISSUANCE OF SHORT-TERM REVENUE ANTICIPATION NOTES. IN ADDITION, THIS PROGRAM ENABLES THE COUNTY TO MAKE LOANS TO OTHER PUBLIC AGENCIES, PARTICULARLY FIRE PROTECTION AND SCHOOL DISTRICTS TO ASSIST THEM IN MEETING THEIR CASH FLOW REQUIREMENTS. IN SPITE OF THE FISCAL UNCERTAINTIES GENERATED BY PROPOSITION 13, WE WERE SUCCESSFUL IN RETAINING A TOP MOODYS RATING (MIG-1) ON OUR 1978 NOTES.

PROSPECTS FOR THE FUTURE

THERE IS NO QUESTION ABOUT THE FACT THAT THE COUNTY OF SAN DIEGO HAS BEEN, AND WILL CONTINUE TO BE, AFFECTED BY THE PASSAGE OF PROPOSITION 13, THE TAX REFORM INITIATIVE PASSED BY THE CALIFORNIA VOTERS ON JUNE 6, 1978. THIS CONSTITUTIONAL AMENDMENT REDUCES THE AMOUNT OF PROPERTY TAXES THAT CAN BE COLLECTED TO 1% OF THE FULL CASH VALUE OF REAL PROPERTY AND PROVIDES NEW CRITERIA FOR DETERMINATION OF FULL CASH VALUES WHICH ARE NON-UNIFORM AND NOT DIRECTLY RELATED TO MARKET FACTORS. THE CALIFORNIA STATE LEGISLATURE HAS ENACTED EXTENSIVE IMPLEMENTING LEGISLATION AND THE CALIFORNIA SUPREME COURT, UPHELD THE CONSTITUTIONALITY OF THE INITIATIVE.

AS A RESULT OF THE VOLATILE NATURE OF THE TAX REFORM LEGISLATION AND THE SHORT TIME SINCE ITS ENACTMENT, IT IS DIFFICULT TO ACCURATELY ASSESS WHAT FUTURE CHANGES WILL BE FORTHCOMING. HOWEVER, WE FEEL THAT CERTAIN OBSERVATIONS MAY BE MADE. FOR THE YEAR 1978-79, THE EFFECT OF PROPOSITION 13 ON COUNTY GOVERNMENT WILL BE MINOR, AS A RESULT OF LEGISLATION ENACTED BY THE STATE WHICH APPROPRIATES SUPPLEMENTAL FUNDING FOR LOCAL GOVERNMENT OUT OF THE ESTIMATED $5 BILLION STATE SURPLUS TO REPLACE REVENUES LOST FROM PROPERTY TAXES. SAN DIEGO COUNTY'S SHARE OF THE STATE REVENUE BLOCK GRANTS IS $8.2 MILLION. IN ADDITION, THE STATE WILL ASSUME SAN DIEGO COUNTY'S LOCAL SHARE FOR A NUMBER OF HEALTH AND WELFARE PROGRAMS FOR THE 1978-79 FISCAL YEAR ONLY, TOTALLING APPROXIMATELY $51.8 MILLION.

THE NET EFFECT OF THESE CHANGES WILL BE AN OVERALL REDUCTION IN COUNTY RESOURCES ON THE ORDER OF $9.5 MILLION, WHICH REPRESENTS APPROXIMATELY 1.7% OF THE 1978-79 PROPOSED BUDGET. OF THIS REDUCTION, $7.4 MILLION APPLIES TO THE COUNTY GENERAL FUND.

CONCURRENTLY, THE COUNTY HAS TAKEN OR INITIATED ACTIONS TO REVISE VARIOUS FEES AND SERVICE CHARGES TO RECOVER COSTS MORE FULLY AND TO PRODUCE ADDITIONAL REVENUES WHICH WILL FURTHER MITIGATE THE IMPACT OF THIS SIGNIFICANT SERIES OF EVENTS. AS A RESULT, IT IS NOT ANTICIPATED THAT ANY MAJOR CHANGES IN THE COUNTY'S PROGRAMS OR FINANCIAL POSITION WILL OCCUR DURING THE 1978-79 FISCAL YEAR. HOWEVER, ADDITIONAL CHANGES MAY BE NECESSITATED IN FUTURE FISCAL PERIODS DEPENDING UPON FUTURE STATE ACTIONS.

FOR SEVERAL YEARS THE COUNTY HAS DEFERRED SUBSTANTIAL EXPENDITURES FOR CAPITAL FACILITIES IN SPITE OF RAPIDLY INCREASING NEEDS. FURTHER MAJOR CUTS IN CAPITAL OUTLAY FUNDING MADE IN THE 1978-79 BUDGET MUST BE VIEWED WITH SOME DEGREE OF CAUTION, HOWEVER. FAILURE TO CURRENTLY RECOGNIZE THE COST CONSEQUENCES OF NOT REFURBISHING AND/OR REPLACING MAJOR FACILITIES AS THEY BECOME WORN OUT OR OBSOLETE, MAY GENERATE EVEN GREATER ADVERSE CONSEQUENCES IN THE FUTURE. THIS CAN RESULT FROM THE RAPID ESCALATION OF CONSTRUCTION COSTS DUE TO INFLATION AND THE ADDED COSTS ASSOCIATED WITH HIGHER OPERATING COSTS AND REDUCED EFFICIENCY OF OLDER OBSOLETE FACILITIES. WHEN VIEWED IN LIGHT OF SEVERE OVERALL CONSTRAINTS ON TOTAL RESOURCES AVAILABLE AND THE NEED TO SERVE THE NEEDS OF AN EXPANDING POPULATION, THE PROBLEM BECOMES ONE OF SERIOUS CONCERN WHICH REQUIRES PRIORITY ATTENTION.

APPRECIATION

AS IN THE PAST YEARS, THE CONCERTED ACTIONS AND COOPERATION OF OTHER COUNTY DEPARTMENTS, FOR WHICH WE ARE GRATEFUL, HAS BEEN MOST HELPFUL IN PUBLICATION OF THIS REPORT AND IN ACHIEVING OUR OBJECTIVES OF TIMELY AND ACCURATE FINANCIAL REPORTING. FINALLY, YOUR BOARD IS TO BE COMMENDED FOR ITS PAST FORESIGHT AND ACTIONS TO INSURE THE CONTINUED GENERAL FISCAL HEALTH AND INTEGRITY OF THE COUNTY.

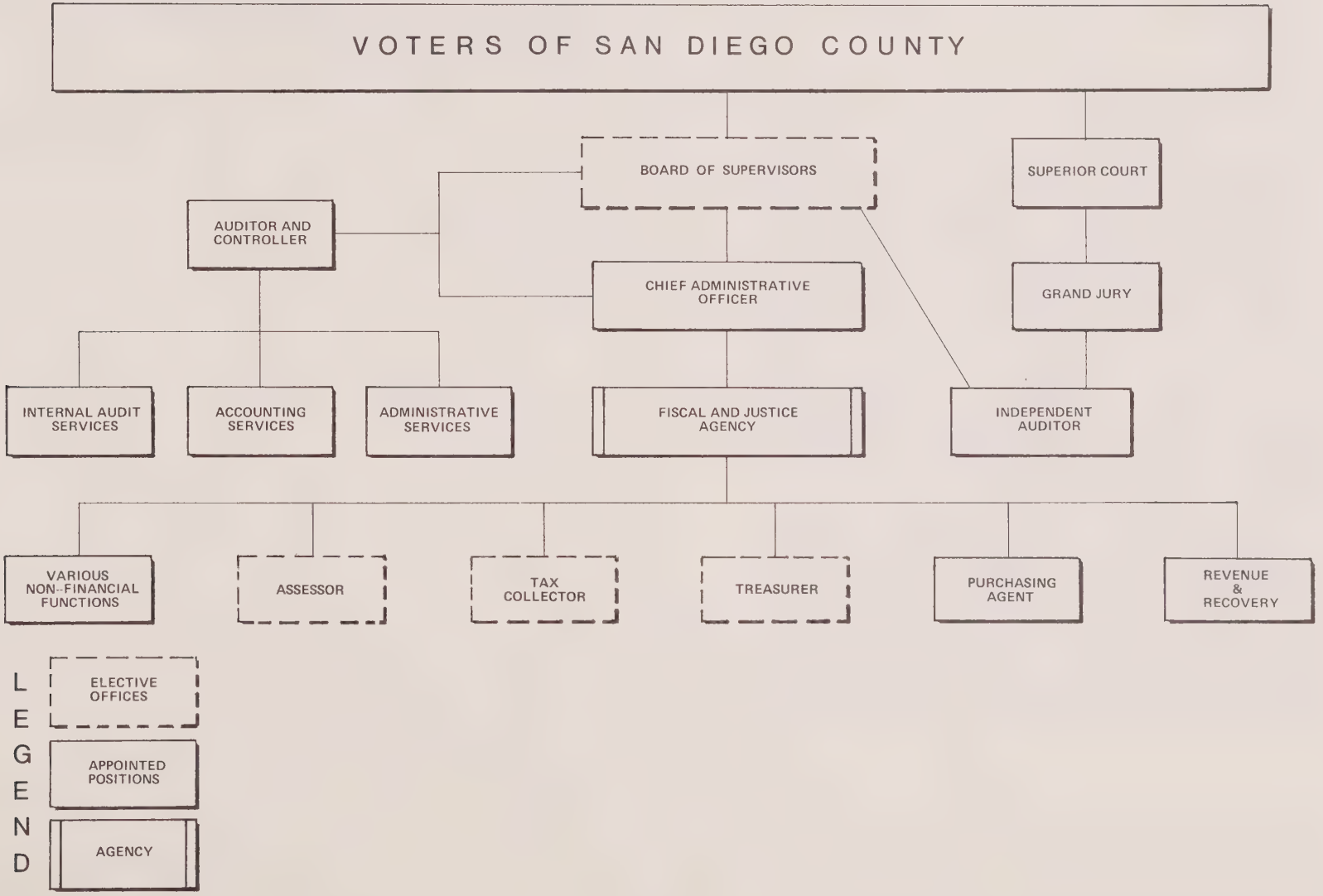
RESPECTFULLY,

Gerald J. Lonergan

GERALD J. LONERGAN
AUDITOR AND CONTROLLER

COUNTY OF SAN DIEGO

ORGANIZATION FOR FINANCIAL ADMINISTRATION



ARTHUR YOUNG & COMPANY

110 WEST A STREET · SUITE 1400
SAN DIEGO, CALIFORNIA 92101

The Honorable Board of Supervisors
County of San Diego

We have examined the financial statements of the various funds and account groups of the County of San Diego at June 30, 1978 and for the year then ended, appearing on pages 10 through 45. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. The financial statements of the County of San Diego for the year ended June 30, 1977 were examined by other auditors whose report dated September 16, 1977 expressed an unqualified opinion on those statements.

In our opinion, the statements referred to above present fairly the financial position of the various funds and account groups of the County of San Diego at June 30, 1978 and the results of operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our examination has been made primarily for the purpose of expressing an opinion on the financial statements of the various funds and account groups referred to above, each taken as a whole. The accompanying supplementary information appearing on pages 46 through 50, and the "Total (memorandum only)" column on the combined balance sheet are presented for analysis purposes and are not necessary for a fair presentation of the financial information referred to in the first paragraph above. Such supplementary information has been subjected to the tests and other auditing procedures applied in the examination of the financial statements mentioned above and, in our opinion, is fairly stated in all respects material in relation to the financial statements taken as a whole.

Arthur Young & Company

September 15, 1978

COMBINED STATEMENTS

IN ACCORDANCE WITH THE RECOMMENDATIONS OF THE NATIONAL COMMITTEE ON GOVERNMENTAL ACCOUNTING, THE FOLLOWING COMBINED STATEMENTS ARE PRESENTED:

COMBINED BALANCE SHEET - ALL FUNDS AND ACCOUNT GROUPS.....

COMBINED STATEMENT OF REVENUE - ESTIMATED AND ACTUAL - GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS.....

COMBINED STATEMENT OF EXPENDITURES AND ENCUMBRANCES - ESTIMATED AND ACTUAL - GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS.....

COMBINED STATEMENT OF CHANGES IN FUND BALANCES - GENERAL, SPECIAL REVENUE, DEBT SERVICE AND INTRAGOVERNMENTAL SERVICE FUNDS.....

COMBINED STATEMENT OF GENERAL FIXED ASSETS.....

COMBINED STATEMENT OF LONG TERM DEBT PAYABLE.....

THESE STATEMENTS PROVIDE A SUMMARY OVERVIEW OF THE FINANCIAL POSITION OF ALL FUNDS AND ACCOUNT GROUPS AND OF THE OPERATING RESULTS BY FUND TYPES. THEY ALSO SERVE AS AN INTRODUCTION TO THE MORE DETAILED STATEMENTS AND SCHEDULES THAT FOLLOW.

ALL FUNDS AND ACCOUNT GROUPS
COMBINED BALANCE SHEET
June 30, 1978

STATEMENT 1A

ASSETS AND OTHER DEBITS	TOTAL (MEMORANDUM ONLY)	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	INTRAGOVERNMENTAL SERVICE FUND	TRUST AND AGENCY FUNDS	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT
Cash with County Treasurer	$393,240,864	28,052,282	45,729,585	441,524	2,144,655	316,872,815		
Cash in Banks	8,255,083					8,255,083		
Collections in Transit	4,332,100	242,660	85,075			4,004,364		
Imprest Cash	113,320				105,770	7,550		
Due from Other Funds	20,922,774	13,425,057	2,010,128	19,778	184,784	5,283,025		
Accounts and Notes Receivable Net	34,229,478	24,813,220	8,990,610		425,647			
Inventory of Materials and Supplies	10,266,158	7,215,663	1,513,558		1,536,936			
Due from Other Funds - Loans	630,555	146,596	170,000		313,959			
Investments	233,190,597					233,190,597		
Taxes Receivable Net	2,590,912	2,461,201	92,196	37,515				
Fixed Assets	227,511,441				2,568,648		224,942,792	
Deposits with Others	2,891,054	237,660	2,653,394					
Future Requirements for Long-Term Debt	112,165		112,165					
Amount Available for Retirement of Bonds	498,811							498,811
Amount to be Provided for Retirement of Bonds	34,649,550							34,649,550
Total	$973,434,868	76,594,342	61,356,714	498,818	7,280,400	567,613,437	224,942,792	35,148,362
LIABILITIES								
Warrants Payable	$ 47,077,304					47,077,304		
Accounts Payable	17,988,392	15,823,306	1,203,783		961,302			
Accounts Payable - Payroll	9,546,984	8,905,976	641,007					
Due to Other Funds	20,922,774	767,048	2,392,752	7	82,795	17,680,170		
Deferred Compensation Payable	954,967		954,967					
Tax Collections Due to Other Governmental Units	15,383,470					15,383,470		
Agency Funds Held for Other Governmental Units	205,106,399					205,106,399		
Trust Obligation	282,017,702					282,017,702		
Deposits from Others	990,954		990,954					
Due to Other Funds - Loans	630,555		112,165		170,000	348,389		
Long-Term Debt Payable	35,148,362							35,148,362
Total	635,767,867	25,496,331	6,295,631	7	1,214,098	567,613,437		35,148,362
Encumbrances Outstanding	24,067,957	12,982,181	11,085,775					
RESERVES AND EQUITIES								
Reserve for:								
Loans to Other Funds	125,439	125,439						
Deposits with Others	2,891,054	237,660	2,653,394					
Inventory of Material and Supplies	7,700,319	7,215,663	484,656					
Replacement of Equipment	164,209				164,209			
Court Restraining Order	1,165,000		1,165,000					
Equities:								
Equity in Fixed Assets	224,942,792						224,942,792	
Contributed Capital	5,167,319				5,167,319			
Fund Balance	70,708,135	30,537,066	39,672,257	498,811				
Retained Earnings	734,774				734,774			
Total	$973,434,868	76,594,342	61,356,714	498,818	7,280,400	567,613,437	224,942,792	35,148,362

See Notes to Financial Statements, pages 43 thru 45

GENERAL, SPECIAL REVENUE, AND DEBT SERVICE FUNDS
COMBINED STATEMENT OF REVENUE - ESTIMATED AND ACTUAL
Year Ended June 30, 1978
With Comparative Figures for Year Ended June 30, 1977

STATEMENT 1B

SOURCE AND FUND	1978 ESTIMATED	1978 ACTUAL	1977 ACTUAL
Taxes:			
General	$134,592,345	139,652,497	143,335,559
Special Revenue	17,358,089	21,273,706	18,216,308
Debt Service	1,621,842	1,681,695	2,347,063
Total Taxes	153,572,276	162,607,898	163,898,930
Licenses, Permits, and Franchise:			
General	5,434,853	6,015,979	5,439,405
Special Revenue	1,288,120	1,663,984	1,625,646
Total Licenses, Permits, and Franchises	6,722,973	7,679,964	7,065,051
Fines, Forfeitures, and Penalties:			
General	3,194,608	3,974,315	3,502,972
Special Revenue	741,378	940,340	976,439
Total Fines, Forfeitures, and Penalties	3,935,986	4,914,657	4,479,411
Revenue from Use of Money and Property:			
General	6,150,476	6,520,510	6,326,702
Special Revenue	2,235,440	3,766,948	3,179,164
Total Revenue from Use of Money and Property	8,385,916	10,287,459	9,505,866
Aid from Other Government Agencies - State:			
General	118,360,466	114,042,452	101,365,308
Special Revenue	13,982,985	16,176,384	13,829,937
Debt Service	188,271	188,434	271,151
Total Aid from Other Government Agencies - State	132,531,722	130,407,273	115,466,396
Aid from Other Government Agencies - Federal:			
General	124,105,709	105,740,330	87,313,903
Special Revenue	27,005,993	30,694,753	22,781,924
Total Aid from Other Government Agencies - Federal	151,111,702	136,435,085	110,095,827
Aid from Other Government Agencies - Other:			
General	15,305,702	320,637	240,258
Special Revenue	116,355	169,413	314,773
Total Aid from Other Government Agencies - Other	15,422,057	490,052	555,031

See Notes to Financial Statements, pages 43 thru 45

GENERAL, SPECIAL REVENUE, AND DEBT SERVICE FUNDS
COMBINED STATEMENT OF REVENUE - ESTIMATED AND ACTUAL continued
Year Ended June 30, 1978
With Comparative Figures for Year Ended June 30, 1977

STATEMENT 1B contd

SOURCE AND FUND	1978 ESTIMATED	1978 ACTUAL	1977 ACTUAL
Charges for Current Services:			
General	$ 27,219,486	27,372,848	23,426,451
Special Revenue	2,465,249	2,379,040	1,971,496
Total Charges for Current Services	29,684,735	29,751,888	25,397,947
Other Revenue:			
General	3,837,288	7,452,902	2,798,558
Special Revenue	958,068	533,259	546,500
Debt Service		703	207
Total Other Revenue	4,795,356	7,986,866	3,345,265
Total	$506,162,723	490,561,147	439,809,733

See Notes to Financial Statements, pages 43 thru 45

GENERAL, SPECIAL REVENUE, AND DEBT SERVICE FUNDS
COMBINED STATEMENT OF EXPENDITURES AND ENCUMBRANCES - ESTIMATED AND ACTUAL
Year Ended June 30, 1978
With Comparative Figures for Year Ended June 30, 1977

STATEMENT 1C

FUNCTION AND FUND	1978 APPROPRIATIONS	1978 EXPENDITURES AND ENCUMBRANCES	1977 ACTUAL
General:			
General	$118,322,887	79,323,417	67,995,825
Special Revenue	28,192,921	21,199,953	18,100,713
Total General	146,515,808	100,523,370	86,096,538
Public Protection:			
General	93,432,858	90,519,289	86,419,737
Special Revenue	54,483	284	5,108
Total Public Protection	93,487,341	90,519,573	86,424,845
Public Ways and Facilities:			
Special Revenue	56,702,466	41,976,691	33,509,637
Health and Sanitation:			
General	57,459,159	52,603,139	53,924,484
Public Assistance:			
General	192,723,770	181,989,565	164,781,572
Special Revenue	6,970,786	6,878,631	4,723,981
Total Public Assistance	199,694,556	188,868,196	169,505,553
Education:			
General	226,847	219,174	195,851
Special Revenue	4,381,451	3,938,208	4,043,818
Total Education	4,608,298	4,157,382	4,239,669
Recreation and Cultural:			
General	3,367,960	3,254,530	2,762,204
Special Revenue	6,119,045	1,691,243	375,356
Total Recreation and Cultural	9,487,005	4,945,773	3,137,560
Debt Service:			
Debt Service	2,147,863	1,707,372	2,489,945
Total	$570,102,499	485,301,504	439,328,240

See Notes to Financial Statements, pages 43 thru 45

GENERAL, SPECIAL REVENUE, DEBT SERVICE AND INTRAGOVERNMENTAL SERVICE FUNDS
COMBINED STATEMENT OF CHANGES IN FUND BALANCES
Year Ended June 30, 1978

STATEMENT 1D

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	INTRAGOVERNMENTAL SERVICE FUND
Fund Balance, Beginning of Year	$27,332,551	37,759,432	330,625	808,578
Add:				
Excess of Revenues over Expenditures and Encumbrances	3,183,357	1,912,824	163,460	
Net Earnings				50,136
Net Transfers-Increase (Decrease)	21,157		4,725	(123,941)
Fund Balance, End of Year	$30,537,066 (Statement 2C)	39,672,257 (Statement 3C)	498,811 (Statement 4A)	734,774 (Statement 5B)

COMBINED STATEMENT OF GENERAL FIXED ASSETS
June 30, 1978

STATEMENT 1E

ASSETS		EQUITIES	
Land	$ 45,044,813	General Fund	$219,538,757
Structures and Improvements	93,384,829		
Equipment	33,529,635	Special Revenue Funds:	
Construction in Progress	52,983,515	Road	3,690,660
		Fish and Game Propagation	23,375
		County Library	1,690,000
Total (Statement 1A)	$224,942,792	Total (Statement 1A)	$224,942,792

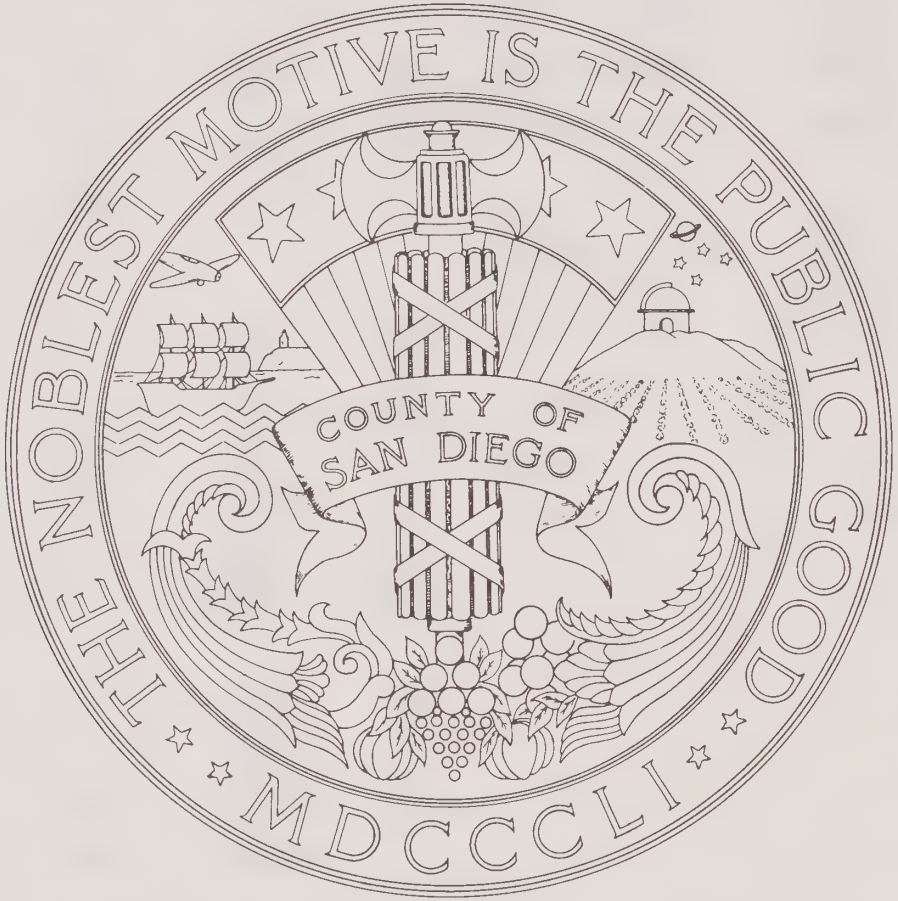
See Notes to Financial Statements, pages 43 thru 45

COMBINED STATEMENT OF LONG TERM DEBT PAYABLE
June 30, 1978

STATEMENT 1F

	INTEREST RATES	DATE OF ISSUE	DATE OF MATURITY	FISCAL YEAR	PRINCIPAL PAYMENTS	DEBT AUTHORIZED	DEBT ISSUED	DEBT RETIRED	DEBT OUTSTANDING
General Obligation Bonds:									
Hospital Bonds									
1958A	3.75	12/15/59	6/15/80	1979	$345,000	5,000,000	5,000,000	4,295,000	705,000
				1980	360,000				
1958B	3.375; 3.25	6/15/61	6/15/81	1979	495,000	7,500,000	7,500,000	5,945,000	1,555,000
				1980	520,000				
				1981	540,000				
Total					2,260,000	12,500,000	12,500,000	10,240,000	2,260,000
Capitalized Long Term Leases:									
Lessor:									
County Employees' Retirement Board	4.25 to 8.00	9/1/55	12/31/91	1979	497,572	9,990,732	9,990,732	5,628,969	4,361,762
				1980	521,133				
				1981	513,814				
				1982	512,415				
				1983	494,821				
				1984-1988	1,669,482				
				1989-1992	152,521				
Joint Powers Authorities	5.50 to 7.75	7/15/68	2/01/04	1979	30,000	26,200,000	26,200,000	115,000	26,085,000
				1980	420,000				
				1981	445,000				
				1982	480,000				
				1983	515,000				
				1984-1988	3,190,000				
				1989-1993	4,440,000				
				1994-1998	5,985,000				
				1999-2003	8,495,000				
				2004	2,085,000				
Private Party	5.00 to 8.00	11/05/73	11/05/88	1979	457,465	4,311,264	4,311,264	1,869,664	2,441,599
				1980	302,213				
				1981	134,687				
				1982	145,462				
				1983	157,099				
				1984-1988	995,372				
				1989	249,297				
Total					32,888,362	40,501,996	40,501,996	7,613,633	32,888,362
Total					$35,148,362	53,001,996	53,001,996	17,853,633	35,148,362
									(Statement 1A)

See Notes to Financial Statements, pages 43 thru 45


THE NOBLEST MOTIVE IS THE PUBLIC GOOD
COUNTY OF SAN DIEGO
MDCCCLI

GENERAL FUND

THE GENERAL FUND FINANCES THE LEGALLY AUTHORIZED ACTIVITIES OF THE COUNTY OF SAN DIEGO NOT PROVIDED FOR IN OTHER RESTRICTED FUNDS. GENERAL FUND REVENUES ARE DERIVED FROM SUCH SOURCES AS TAXES, LICENSES AND PERMITS, FINES, FORFEITURES AND PENALITIES, USE OF MONEY AND PROPERTY, AID FROM OTHER GOVERNMENTAL AGENCIES, CHARGES FOR CURRENT SERVICES, AND OTHER REVENUE. GENERAL FUND EXPENDITURES AND ENCUMBRANCES ARE CLASSIFIED BY THE FUNCTIONS OF GENERAL GOVERNMENTAL, PUBLIC PROTECTION, PUBLIC WAYS AND FACILITIES, HEALTH AND SANITATION, PUBLIC ASSISTANCE, EDUCATION, AND RECREATION AND CULTURAL SERVICES. APPROPRIATIONS ARE MADE FROM THE FUND ANNUALLY. THE FUND WILL CONTINUE TO EXIST INDEFINITELY.

GENERAL FUND
BALANCE SHEET
June 30, 1978
With Comparative Figures for June 30, 1977

STATEMENT 2

ASSETS	1978	1977
Cash with County Treasurer	$28,052,282	38,949,522
Collections in Transit	242,660	668,980
Due from Other Funds (Statement 8)	13,425,057	9,832,196
Accounts and Notes Receivable Net of Allowance $6,732,522 ($3,072,617 in 1977)	24,813,220	13,223,649
Inventories of Materials and Supplies, at cost	7,215,663	6,664,734
Due from Other Funds - Loans	146,596	166,766
Taxes Receivable Net of Allowance $3,168,697 ($3,406,148 in 1977) (Statement 10)	2,461,201	3,305,950
Deposits with Others	237,660	129,269
Total	$76,594,342	72,941,072
LIABILITIES		
Accounts Payable	$15,823,306	25,511,680
Accounts Payable - Payroll	8,905,976	
Due to Other Funds (Statement 8)	767,048	517,712
Total	25,496,331	26,029,392
Encumbrances Outstanding	12,982,181	12,638,525
RESERVES AND EQUITIES		
Reserve for:		
Loans to Other Funds	125,439	146,596
Deposits with Others	237,660	129,269
Inventory of Materials and Supplies	7,215,663	6,664,734
Equity:		
Fund Balance (Statement 2C)	30,537,066	27,332,551
Total	$76,594,342	72,941,072

See Notes to Financial Statements, pages 43 thru 45

GENERAL FUND
STATEMENT OF REVENUE - ESTIMATED AND ACTUAL
Year Ended June 30, 1978
With Comparative Figures for Year Ended June 30, 1977

STATEMENT 2A

Source	1978 ESTIMATED	1978 ACTUAL	1977 ACTUAL
Taxes			
Property Taxes - Current Secured	$109,866,301	112,321,401	117,274,684
Property Taxes - Current Unsecured	10,887,044	11,301,387	11,278,990
Property Taxes - Prior Secured	2,000,000	1,385,506	2,160,738
Property Taxes - Prior Unsecured	50,000	432,823	231,915
Penalties - Costs - Delinquent Tax	1,500,000	1,724,643	1,956,684
Sales and Use Taxes	6,400,000	7,469,702	6,609,746
Other Taxes	3,889,000	5,017,031	3,822,800
Total	134,592,345	139,652,497	143,335,559
Licenses, Permits & Franchises			
Franchises	1,100,000	1,079,385	1,046,120
Animal Licenses	800,000	965,788	813,767
Business Licenses	752,030	822,570	763,406
Construction Permits	2,395,987	2,640,855	2,493,201
Zoning Permits	165,280	179,271	177,709
Other Licenses and Permits	221,556	328,108	145,201
Total	5,434,853	6,015,979	5,439,405
Fines, Forfeitures & Penalties			
Vehicle Code Fines	1,390,215	1,479,584	1,492,770
Other Court Fines	1,540,727	2,116,163	1,772,318
Forfeitures and Penalties	263,666	378,567	237,884
Total	3,194,608	3,974,315	3,502,972
Use of Money and Property			
Interest - Deposits and Investment	5,069,000	5,224,033	5,124,745
Rents and Concessions	1,081,476	1,296,477	1,201,957
Total	6,150,476	6,520,510	6,326,702
Aid From Other Governmental Agencies - State			
State - Alcoholic Beverage License Fees	100,000	150,497	106,722
State - Aid For Aviation			(410)
State - Motor Vehicle In-Lieu Tax	12,600,000	18,114,268	13,706,124
State - Trailer Coach In-Lieu Tax	1,025,000	1,195,433	1,255,311
Other State In-Lieu Tax-Highway Land Rental	24,187		23,483
State Public Assistance-Administration	17,890,438	16,707,055	15,715,914
State Aid For Public Assistance Program	39,825,383	37,371,230	34,570,561
State Aid Crippled Children	2,177,514	1,625,637	1,718,495
State Health Administration	375,595	407,922	375,595
State Aid For Mental Health	15,276,198	13,456,988	11,524,902
Other State Aid For Health	55,000	41,719	49,457
State Aid For Agriculture	250,100	257,142	225,113
State Aid For Civil Defense	106,595	42,360	34,514

See Notes to Financial Statements, pages 43 thru 45

GENERAL FUND
STATEMENT OF REVENUE - ESTIMATED AND ACTUAL continued
Year Ended June 30, 1978
With Comparative Figures for Year Ended June 30, 1977

STATEMENT 2A

Source	1978 ESTIMATED	1978 ACTUAL	1977 ACTUAL
Aid From Other Governmental Agencies - State - (Continued)			
State Aid For Construction	$ 5,112,800	869,888	204,339
State Aid For Corrections	268,481	517,690	246,532
State Aid For Homeowners Property Tax Reduction	8,890,047	8,995,719	10,674,708
State Aid For Business Inventory Property Reduction	3,084,725	3,071,679	3,333,152
State Aid - Other	11,298,403	11,217,217	7,600,790
Total	118,360,466	114,042,452	101,365,308
Aid From Other Governmental Agencies - Federal			
Federal Public Assistance - Administration	26,713,716	27,666,691	24,432,156
Federal Aid For Public Assistance Program	51,760,973	52,850,362	46,369,307
Federal Health Administration	706,452	914,834	594,627
Federal Aid For Construction	13,919,190	5,404,684	587,774
Federal In-Lieu Taxes		311,453	
Federal - Other	31,005,378	18,592,304	15,330,038
Total	124,105,709	105,740,330	87,313,903
Aid From Other Governmental Agencies - Other			
Other Governmental Agencies	15,305,702	320,637	240,258
Total	15,305,702	320,637	240,258
Charges For Current Services			
Assessment and Tax Collection Fees	8,300	12,921	12,500
Auditing and Accounting Fees	138,010	177,636	148,984
Communication Services	19,300	32,896	55,928
Election Services	1,105,979	1,293,153	638,757
Inheritance Tax Fees	65,000	67,763	69,822
Legal Services	458,200	358,285	196,430
Personnel Services	221,115	255,041	208,339
Planning and Engineering Services	2,222,319	2,937,914	2,462,321
Purchasing Fees - Other Government		10,257	
Agriculture Services	77,500	10,565	7,721
Civil Process Services	530,518	549,015	517,683
Court Fees and Costs	4,418,251	4,678,962	4,223,656
Estate Fees	250,800	268,044	269,724
Humane Services	246,500	284,438	208,919
Law Enforcement Services	1,431,090	1,304,187	1,146,428
Recording Fees	1,969,000	2,465,779	2,147,824
Road and Street Services		123	2,569
Health Fees	355,438	457,267	522,287
Sanitation Services	5,777,228	4,596,112	3,391,711
Adoption Fees	33,000	35,085	37,670
Crippled Children's Services	65,000	62,084	76,529
Institutional Care and Services	5,609,836	5,615,832	5,357,145
Park and Recreation Fees	312,944	353,909	266,875
Other Charges For Current Services	1,904,158	1,545,571	1,456,617
Total	27,219,486	27,372,848	23,426,451

See Notes to Financial Statements, pages 43 thru 45

GENERAL FUND
STATEMENT OF REVENUE - ESTIMATED AND ACTUAL continued
Year Ended June 30, 1978
With Comparative Figures for Year Ended June 30, 1977

STATEMENT 2A

Source	1978 ESTIMATED	1978 ACTUAL	1977 ACTUAL
Other Revenue			
Revenue Applicable to Prior Years	$ 1,000	5,439,641	(500,215)
Other Revenue - Other	3,345,566	1,815,940	1,568,857
Premium & Accrued Interest on Bonds		2,001	
Revenue from Discontinued District		22	
Sale of Fixed Assets	330,000	175,332	1,709,095
Other Sales	160,722	19,965	20,819
Total	3,837,288	7,452,902	2,798,558
Total	$438,200,933	411,092,474 (Statement 2C)	373,749,121

See Notes to Financial Statements, pages 43 thru 45

GENERAL FUND
STATEMENT OF EXPENDITURES AND ENCUMBRANCES - ESTIMATED AND ACTUAL
Year Ended June 30, 1978
With Comparative Figures for Year Ended June 30, 1977

STATEMENT 2B

Function	1978 APPROPRIATIONS	1978 ACTUAL	1978 EXPENDITURES	1978 ENCUMBRANCES	1977 ACTUAL
General:					
Legislative and Administrative:					
Board of Supervisors	$ 2,125,406	1,960,491	1,931,954	28,537	1,579,810
Chief Administrative Officer	6,458,726	5,330,035	5,172,317	157,718	4,340,979
Housing and Community Development	8,189,330	2,196,622	1,285,214	911,408	1,999,932
Department of Special Manpower Services		(7)	(7)		238,142
Total	16,773,464	9,487,146	8,389,479	1,097,667	8,158,863
Finance:					
Auditor and Controller	3,515,241	3,401,192	3,378,890	22,302	3,653,503
County - General Revenue	2,200,000				
Treasurer	797,013	739,181	704,711	34,470	709,349
Assessor	5,453,165	5,379,657	5,364,080	15,577	5,097,893
Treasurer-Tax Collector	1,071,867	983,246	965,125	18,121	948,103
Purchasing Agent	632,329	585,259	575,193	10,066	557,171
Department of Revenue and Recovery	2,537,218	2,420,023	2,417,220	2,803	2,227,672
Total	16,206,834	13,508,560	13,405,219	103,341	13,193,692
Counsel:					
County Counsel	1,615,970	1,484,021	1,419,629	64,392	1,260,660
Personnel:					
Civil Service and Personnel	1,786,507	1,756,083	1,660,155	95,928	1,644,536
Elections:					
Registrar of Voters	3,446,734	3,382,687	3,309,525	73,162	2,389,498
Property Management:					
Community Services Agency	23,032,102	22,126,861	20,818,612	1,308,249	19,541,382
Plant Acquisition:					
Community Services Agency - Facilities Development	22,748,290	8,850,897	5,991,223	2,859,674	6,729,192
Other General:					
Equal Opportunity Management Office	742,965	721,008	672,042	48,966	284,479
Electronic Data Processing Services	6,319,708	6,159,273	5,958,359	200,914	5,535,340
County Employee Benefits	291,497	71,939	71,657	282	(18,592)
Contingency Reserve, General Fund	1,878,257				
Community Services Agency	20,257,731	8,569,608	5,936,489	2,633,119	6,500,340
Department of Transportation - General Fund	3,222,823	3,205,331	2,806,328	399,003	2,776,434
Total	32,712,981	18,727,159	15,444,875	3,282,284	15,078,001
Total	118,322,887	79,323,417	70,438,717	8,884,701	67,995,825

See Notes to Financial Statements, pages 43 thru 45

GENERAL FUND
STATEMENT OF EXPENDITURES AND ENCUMBRANCES - ESTIMATED AND ACTUAL continued
Year Ended June 30, 1978
With Comparative Figures for Year Ended June 30, 1977

STATEMENT 2B

Function	1978 APPROPRIATIONS	1978 ACTUAL	1978 EXPENDITURES	1978 ENCUMBRANCES	1977 ACTUAL
Public Protection:					
Judicial:					
Fiscal and Justice Office	$ 321,120	298,052	297,619	433	357,268
Criminal Justice Planning	175,222	151,097	150,751	346	147,444
Superior Court	5,633,760	5,473,788	5,342,229	131,559	5,508,173
Municipal Court	11,754,725	11,168,054	11,110,641	57,413	10,522,360
Grand Jury	139,600	128,164	124,989	3,175	100,000
County Clerk	2,939,631	2,914,442	2,903,625	10,817	2,649,619
District Attorney	9,298,533	9,100,474	9,052,855	47,619	8,188,201
Office of Defender Services	51,488	20,930	10,826	10,104	
Total	30,314,079	29,255,010	28,993,538	261,472	27,473,065
Police Protection:					
Sheriff	23,537,588	22,713,356	22,434,268	279,088	19,744,957
Marshal	3,805,060	3,786,724	3,781,546	5,178	3,244,120
Total	27,342,648	26,500,080	26,215,814	284,266	22,989,076
Detention and Correction:					
Probation Department	21,688,187	21,254,595	21,058,754	195,841	23,765,181
Protective Inspection:					
Department of Animal Control	1,725,625	1,613,334	1,602,876	10,458	1,234,195
County Veterinarian	122,550	120,640	120,419	221	107,114
San Diego County Department of Agriculture	1,578,672	1,529,802	1,487,876	41,926	1,485,138
Total	3,426,847	3,263,778	3,211,172	52,606	2,826,446
Other Protection:					
Recorder	668,354	628,594	626,486	2,108	557,116
Public Administrator	659,736	649,176	647,506	1,670	598,577
Coroner	1,222,548	1,220,752	1,197,575	23,177	1,132,695
Office of Senior Citizens Affairs					245,512
Zoning Administrator	166,752	165,691	162,381	3,310	152,481
CSA-Environmental Impact Review Division	381,804	350,478	348,396	2,082	303,148
Fire, Disaster, & Safety	1,535,085	1,446,443	1,312,895	133,548	1,155,493
Department of Land Use & Environmental Regulation	3,841,174	3,742,340	3,672,007	70,333	3,538,972
Department of Air Pollution Control	2,185,644	2,042,348	1,961,929	80,419	1,681,973
Total	10,661,097	10,245,826	9,929,175	316,651	9,365,970
Total	93,432,858	90,519,289	89,408,451	1,110,838	86,419,737
Health and Sanitation:					
Health:					
Health Care Agencies	29,006,141	25,646,343	24,628,688	1,017,655	23,953,657
Sanitation:					
Community Services Agency - Sanitation & Flood Control	6,860,029	5,998,941	5,827,177	171,764	6,434,519

See Notes to Financial Statements, pages 43 thru 45

GENERAL FUND
STATEMENT OF EXPENDITURES AND ENCUMBRANCES - ESTIMATED AND ACTUAL continued
Year Ended June 30, 1978
With Comparative Figures for Year Ended June 30, 1977

STATEMENT 2B

Function	1978 APPROPRIATIONS	1978 ACTUAL	1978 EXPENDITURES	1978 ENCUMBRANCES	1977 ACTUAL
Public Protection - Continued:					
Hospital Care:					
Department of Medical Institutions	$ 21,592,989	20,957,855	20,595,383	362,472	23,536,308
Total	57,459,159	52,603,139	51,051,247	1,551,892	53,924,484
Public Assistance:					
Administration:					
Department of Human Services	8,010,666	6,661,414	6,160,193	501,221	5,706,162
Department of Public Welfare	178,010,936	172,536,016	171,871,461	664,555	159,464,038
Department of Substance Abuse	3,514,425	2,792,135	2,706,792	85,343	
Total	189,536,027	181,989,565	180,738,444	1,251,120	165,170,200
Aid Programs:					
Comprehensive Employment Training Act	2,936,873				
Other Assistance:					
Health Care Agency-Department of Emergency Medical Services	250,870				(388,627)
Total	192,723,770	181,989,565	180,738,444	1,251,120	164,781,572
Education:					
Library Services:					
Governmental Reference Library	29,277	29,276	26,453	2,823	24,377
Agricultural Education:					
Farm Advisor	197,570	189,896	189,537	359	171,474
Total	226,847	219,174	215,991	3,183	195,851
Recreation and Cultural Services:					
Recreation Facilities:					
Department of Parks and Recreation	3,367,960	3,254,530	3,074,086	180,444	2,762,204
Total	$465,533,484	407,909,117 (Statement 2C)	394,926,935	12,982,181	376,079,676

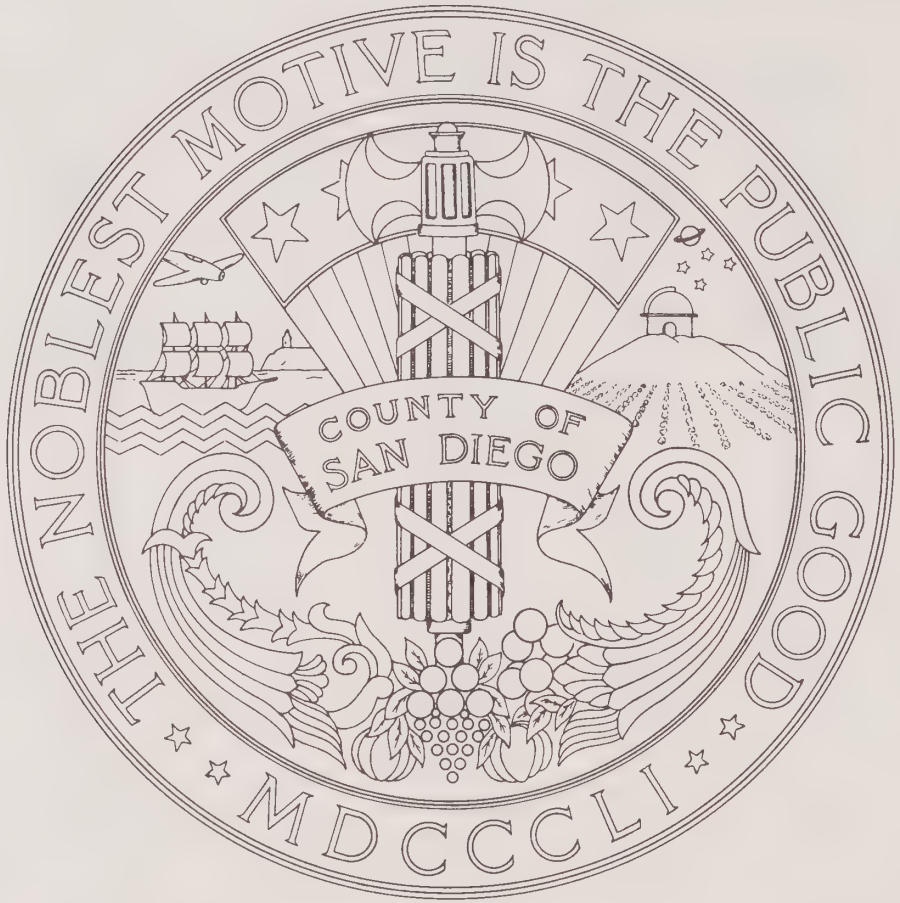
See Notes to Financial Statements, pages 43 thru 45

GENERAL FUND
STATEMENT OF CHANGES IN FUND BALANCE
Year Ended June 30, 1978
With Comparative Figures for Year Ended June 30, 1977

STATEMENT 2C

	1978	1977
Fund Balance, Beginning of the Year	$ 27,332,551	29,623,471
Add: Revenue (Statement 2A)	411,092,474	373,749,121
Transferred from Reserve for Loans Payable in Future Years	21,157	39,635
Deduct: Expenditures and Encumbrances (Statement 2B)	407,909,117	376,079,676
Fund Balance, End of Year (Statement 2)	$ 30,537,066	27,332,551

See Notes to Financial Statements, pages 43 thru 45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SPECIAL REVENUE FUNDS

ROAD FUND

THIS FUND WAS ESTABLISHED TO PROVIDE FOR MAINTENANCE AND CONSTRUCTION OF ROADWAYS AND FOR SPECIALIZED ENGINEERING SERVICES TO OTHER GOVERNMENTAL UNITS AND THE PUBLIC. REVENUES CONSIST PRIMARILY OF THE COUNTY'S SHARE OF STATE HIGHWAY USERS TAXES AND ARE SUPPLEMENTED BY FEDERAL FUNDS, VEHICLE CODE FINES, AND FEES AND REIMBURSEMENTS FOR ENGINEERING SERVICES PROVIDED.

DEFERRED COMPENSATION INVESTMENT FUND

THIS FUND WAS ESTABLISHED TO PROVIDE THE OPPORTUNITY FOR ALL OFFICERS AND FULL TIME EMPLOYEES OF THE COUNTY OF SAN DIEGO TO DEFER A SPECIFIED AMOUNT OF CURRENT EARNED INCOME (WAGES) AND THE PAYMENT OF SUCH DEFERRED AMOUNTS AND ANY ACCUMULATIONS (EARNINGS) THEREON AT A LATER DATE. NO FEDERAL OR STATE INCOME TAXES ARE INCURRED ON DEFERRED INCOME OR INVESTMENT EARNINGS UNTIL THE VALUE OF DEFERRED EARNINGS IS RETURNED TO THE EMPLOYEE AT RETIREMENT OR WITHDRAWAL FROM THE PLAN. THE FUND IS THE PROPERTY OF THE COUNTY AND AS SUCH MAY BE EXPENDED FOR ANY LAWFUL COUNTY PURPOSE.

GRAZING LAND FUND

THIS FUND WAS ESTABLISHED TO RECEIVE AND EXPEND THE COUNTY'S SHARE OF GRAZING LAND LEASE REVENUES COLLECTED BY THE FEDERAL BUREAU OF LAND MANAGEMENT. EXPENDITURES ARE RECOMMENDED BY THE GRAZING ADVISORY BOARD FOR IMPROVEMENTS TO THE LAND.

LOCAL TRANSPORTATION FUND

THIS FUND WAS ESTABLISHED AS A RESULT OF THE STATE TRANSPORTATION DEVELOPMENT ACT OF 1971. THIS ACT ALLOWS THE COUNTIES WITHIN THE STATE OF CALIFORNIA TO INCREASE THEIR SALES TAX PERCENTAGE BY ¼%. THE COUNTY'S SHARE IS RECEIVED FROM THE STATE AND DEPOSITED INTO THE FUND. AS THE TRANSPORTATION PLANNING AGENCY (TPA) FOR THE SAN DIEGO REGION, THE COMPREHENSIVE PLANNING ORGANIZATION (CPO) IS RESPONSIBLE FOR THE ANNUAL ALLOCATION OF MONIES FROM THE FUND. THE COUNTY AUDITOR SERVES AS FUND TRUSTEE.

FISH AND GAME PROPAGATION FUND

THIS FUND WAS ESTABLISHED TO RECEIVE AND EXPEND THE COUNTY'S 50% SHARE OF COURT FINES LEVIED FOR VIOLATIONS OF FISH AND GAME LAWS WITHIN THE COUNTY. THE STATE OF CALIFORNIA RECEIVES THE OTHER 50% SHARE AS WELL AS ADMINISTRATIVE EXPENSES. THE FISH AND WILDLIFE COMMITTEE RECOMMENDS EXPENDITURES FROM THE FUND THAT WILL IMPROVE THE HABITAT FOR WILDLIFE PROPAGATION.

LIVESTOCK INDEMNITY FUND

THIS FUND WAS ESTABLISHED TO PROVIDE FOR INDEMNIFICATION TO OWNERS OF LIVESTOCK KILLED BY DOGS. THE FUND HAS BEEN INACTIVE FOR YEARS.

COUNTY LIBRARY FUND

THIS FUND WAS ESTABLISHED TO PROVIDE LIBRARY SERVICES FOR THE UNINCORPORATED AREA AS WELL AS SOME OF THE INCORPORATED CITIES WITHIN THE COUNTY. THE COUNTY LIBRARY NOW OPERATES A HEADQUARTERS, 33 BRANCHES AND 2 BOOKMOBILES. PROPERTY TAXES PROVIDE MOST OF THE FUND'S REVENUES. FEDERAL AID, STATE AID AND FINES PROVIDE THE REMAINING REVENUES.

ANTIRECESSION FISCAL ASSISTANCE FUND

THIS FUND WAS ESTABLISHED TO RECEIVE AND EXPEND THE COUNTY'S ALLOCATION OF FEDERAL MONIES AUTHORIZED BY THE PUBLIC WORKS EMPLOYMENT ACT OF 1976. THESE FUNDS ARE TO BE USED TO MAINTAIN THE LEVEL OF PUBLIC SERVICES AND MUST BE OBLIGATED OR APPROPRIATED WITHIN SIX (6) MONTHS AFTER THEY ARE RECEIVED. THE PROGRAM IS SCHEDULED TO END SEPTEMBER 30, 1978.

SPECIAL AVIATION FUND

THIS FUND WAS ESTABLISHED TO PROVIDE FOR AIRPORT AND AVIATION PURPOSE CAPITAL IMPROVEMENTS INCLUDING REPAIRS OR REPLACEMENT OF CAPITAL ITEMS. REVENUES CONSIST OF AN ANNUAL ALLOCATION FOR EACH COUNTY OPERATED AIRPORT FROM THE STATE OF CALIFORNIA AS WELL AS ACQUISITION AND DEVELOPMENT FUNDS PROVIDED BY THE STATE FOR SPECIAL PROJECTS WITH PARTIAL MATCHING FROM THE COUNTY GENERAL FUND.

PARK LAND DEDICATION FUND

THIS FUND WAS ESTABLISHED TO RECEIVE AND EXPEND SPECIAL PARK LAND DEDICATION FEES CHARGED TO DEVELOPERS OF LAND AS A CONDITION FOR APPROVAL OF ANY DEVELOPMENT. THE FEES ARE THEN USED FOR THE PURCHASE OF LAND AND THE DEVELOPMENT OF LAND FOR PARK OR RECREATIONAL FACILITIES. THESE FACILITIES SERVE THE FUTURE RESIDENTS OF SUCH DEVELOPMENTS. IN LIEU OF THE PAYMENT OF THESE FEES, THE DEVELOPER MAY DEDICATE LAND FOR PARK OR RECREATIONAL FACILITIES.

FEDERAL REVENUE SHARING FUND

THIS FUND WAS ESTABLISHED TO RECEIVE AND EXPEND THE COUNTY'S SHARE OF FEDERAL REVENUE SHARING FUNDS. THE FUNDS ARE DISBURSED TO LOCAL AGENCIES FROM THE FEDERAL GOVERNMENT BASED ON A FORMULA COMPOSED OF POPULATION, RELATIVE INCOME FACTOR AND GENERAL TAX EFFORT AND ARE RECORDED IN SEPARATE REVENUE ACCOUNTS FOR EACH ENTITLEMENT PERIOD.

SPECIAL REVENUE FUNDS
COMBINED BALANCE SHEET
June 30, 1978

STATEMENT 3

ASSETS	TOTAL	ROAD	DEFERRED COMPENSATION INVESTMENT	GRAZING LAND	LOCAL TRANSPORTATION	FISH & GAME PROPAGATION	LIVESTOCK INDEMNITY	COUNTY LIBRARY	ANTI-RECESSION	SPECIAL AVIATION	PARK LAND DEDICATION	FEDERAL REVENUE SHARING
Cash with County Treasurer	$45,729,585	4,889,202	978,620	34,681	16,506,598	29,239	25	1,159,164	3,695,349	130,688	5,861,701	12,444,313
Collections in Transit	85,075							2,170			82,905	
Due from Other Funds (Statement 8)	2,010,128	865,089	18,063		301,852	2,121		56,120	93,185	2,844	121,093	549,757
Accounts and Notes Receivable, Net*	8,990,610	3,918,081			762,520			6,122				4,303,886
Taxes Receivable, Net of Allowance $113,556	92,196							92,196				
Inventory of Material and Supplies	1,513,558	1,235,512						278,046				
Due from Other Funds - Loans	170,000											170,000
Deposits with Others	2,653,394	2,653,380						13				
Future Requirements for Long Term Debt	112,165							112,165				
Total	$61,356,714	13,561,266	996,684	34,681	17,570,970	31,360	25	1,706,000	3,788,535	133,532	6,065,700	17,467,957
LIABILITIES												
Accounts Payable	$ 1,203,783	896,547			33,490	2		170,783			102,960	
Accounts Payable - Payroll	641,007	546,127						94,880				
Due to Other Funds (Statement 8)	2,392,752	239,246						13,514	202,748	1,708	32,353	1,903,181
Deferred Compensation Payable	954,967		954,967									
Deposits from Others	990,954	990,954										
Due to Other Funds - Loan	112,165							112,165				
Total	6,295,631	2,672,875	954,967		33,490	2		391,345	202,748	1,708	135,313	1,903,181
Encumbrances Outstanding	11,085,775	3,282,117			262,021			548,508		27,129	964,610	6,001,388
RESERVE AND EQUITIES												
Reserves for:												
Deposits with Others	2,653,394	2,653,380						13				
Inventories	484,656	206,610						278,046				
Court Restraining Order	1,165,000				1,165,000							
Equities:												
Fund Balance (Statement 3C)	39,672,257	4,746,283	41,716	34,681	16,110,459	31,358	25	488,086	3,585,787	104,695	4,965,776	9,563,387
Total	$61,356,714	13,561,266	996,684	34,681	17,570,970	31,360	25	1,706,000	3,788,535	133,532	6,065,700	17,467,957

*Net of Allowance of $626,017, related to Road Fund and Federal Revenue Sharing Fund

See Notes to Financial Statements, pages 43 thru 45

SPECIAL REVENUE FUNDS
COMBINED STATEMENT OF REVENUE - ESTIMATED AND ACTUAL
Year Ended June 30, 1978
With Comparative Figures for Year Ended June 30, 1977

STATEMENT 3A

	1978		1977
	ESTIMATED	ACTUAL (Statement 3C)	ACTUAL
ROAD FUND			
Licenses, Permits and Franchises	$ 24,000	22,157	23,340
Fines, Forfeitures and Penalties	740,000	928,804	966,212
Revenue from Use of Money and Property	210,000	442,551	336,943
Aid from Other Government Agencies - State	13,599,653	15,781,347	13,396,989
Aid from Other Government Agencies - Federal	7,428,068	6,149,552	1,425,087
Aid from Other Government Agencies - Other	116,355	167,637	314,332
Charges for Current Services	2,387,049	2,290,052	1,892,073
Other Revenue	957,068	461,042	504,305
Total	25,462,193	26,243,149	18,859,288
DEFERRED COMPENSATION INVESTMENT			
Revenue from Use of Money and Property	20,440	39,147	2,560
Other Revenue		9	
Total	20,440	39,156	2,560
GRAZING LAND FUND			
Aid from Other Government Agencies - Federal	4,258	5,939	5,873
LOCAL TRANSPORTATION FUND			
Taxes	14,000,000	17,866,555	14,852,240
Revenue from Use of Money and Property	900,000	996,827	979,374
Total	14,900,000	18,863,382	15,831,614
FISH AND GAME PROPAGATION FUND			
Fines, Forfeitures and Penalties	1,378	11,536	10,226
COUNTY LIBRARY FUND			
Taxes	3,358,089	3,407,149	3,364,068
Revenue from Use of Money and Property	5,000	5,984	4,963
Aid from Other Government Agencies - State	340,767	360,037	397,946
Aid from Other Government Agencies - Federal	175,264	134,974	121,556
Aid from Other Government Agencies - Other		1,776	440
Charges for Current Services	78,200	88,985	79,422
Other Revenue	1,000	4,251	4,726
Total	3,958,320	4,003,163	3,973,130

See Notes to Financial Statements, pages 43 thru 45

SPECIAL REVENUE FUNDS
COMBINED STATEMENT OF REVENUE - ESTIMATED AND ACTUAL continued
Year Ended June 30, 1978
With Comparative Figures for Year Ended June 30, 1977

STATEMENT 3A contd

	1978 ESTIMATED	1978 ACTUAL (Statement 3C)	1977 ACTUAL
ANTIRECESSION FUND			
Revenue from Use of Money and Property	$	435,772	135,135
Aid from Other Government Agencies - Federal	4,546,363	7,597,250	5,410,264
Other Revenue		5,261	925
Total	4,546,363	8,038,284	5,546,324
SPECIAL AVIATION FUND			
Revenue from Use of Money and Property		8,960	7,172
Aid from Other Government Agencies - State	42,565	35,000	35,000
Other Revenue			(5,360)
Total	42,565	43,960	36,812
PARK LAND DEDICATION FUND			
Licenses, Permits and Franchises	1,264,120	1,641,827	1,602,305
Revenue from Use of Money and Property	250,000	418,567	263,388
Other Revenue		(8,300)	(3,500)
Total	1,514,120	2,052,095	1,862,194
FEDERAL REVENUE SHARING FUND			
Revenue from Use of Money and Property	850,000	1,419,136	1,449,624
Aid from Other Government Agencies - Federal	14,852,040	16,807,038	15,819,140
Other Revenue		70,996	45,401
Total	15,702,040	18,297,171	17,314,165
Total	$66,151,677	77,597,839	63,442,190
RECAPITULATION BY SOURCE			
Taxes	$17,358,089	21,273,704	18,216,308
Licenses, Permits and Franchises	1,288,120	1,663,984	1,625,646
Fines, Forfeitures and Penalties	741,378	940,340	976,439
Revenue from Use of Money and Property	2,235,440	3,766,944	3,179,164
Aid from Other Government Agencies - State	13,982,985	16,176,384	13,829,937
Aid from Other Government Agencies - Federal	27,005,993	30,694,753	22,781,924
Aid from Other Government Agencies - Other	116,355	169,413	314,773
Charges for Current Services	2,465,249	2,379,037	1,971,496
Other Revenue	958,068	533,259	546,500
Total	$66,151,677	77,597,839	63,442,190

See Notes to Financial Statements, pages 43 thru 45

SPECIAL REVENUE FUNDS
COMBINED STATEMENT OF EXPENDITURES AND ENCUMBRANCES - ESTIMATED AND ACTUAL
Year Ended June 30, 1978
With Comparative Figures for Year Ended June 30, 1977

STATEMENT 3B

	1978				1977
	APPROPRIATIONS	ACTUAL (Statement 3C)	EXPENDITURES	ENCUMBRANCES	ACTUAL
ROAD FUND					
Public Ways and Facilities - Public Ways:					
Department of Transportation	$ 24,862,189	21,646,862	18,364,745	3,282,117	19,614,205
Contingency Reserve	750,000				
Total	25,612,189	21,646,862	18,364,745	3,282,117	19,614,205
DEFERRED COMPENSATION INVESTMENT					
General - Finance:					
Deferred Compensation	23,000				
GRAZING LANDS FUND					
Public Protection - Other Protection:					
San Diego County Grazing and Advisory Board	33,000				
LOCAL TRANSPORTATION FUND					
Public Ways and Facilities - Public Ways:					
Local Transportation	30,949,777	20,292,629	20,030,608	262,021	13,831,247
FISH & GAME PROPAGATION FUND					
Public Protection - Other Protection:					
Fish and Game Commission	21,483	284	284		5,108
COUNTY LIBRARY FUND					
Education - Library Service:					
County Library	4,381,451	3,938,208	3,389,700	548,508	4,043,818
ANTIRECESSION FUND					
General - Legislative and Administration:					
Antirecession	7,865,003	7,771,138	7,771,138		2,227,682
SPECIAL AVIATION FUND					
Public Ways and Facilities - Transportation Terminals:					
Community Services Office	140,500	37,200	10,071	27,129	64,185

See Notes to Financial Statements, pages 43 thru 45

SPECIAL REVENUE FUNDS
COMBINED STATEMENT OF EXPENDITURES AND ENCUMBRANCES - ESTIMATED AND ACTUAL continued
Year Ended June 30, 1978
With Comparative Figures for Year Ended June 30, 1977

STATEMENT 3B contd

	1978				1977
	APPROPRIATIONS	ACTUAL (Statement 3C)	EXPENDITURES	ENCUMBRANCES	ACTUAL
PARK LAND DEDICATION FUND					
Recreation and Cultural Services - Recreation Facilities:					
Community Services Office	$ 6,119,045	1,691,243	726,633	964,610	375,356
FEDERAL REVENUE SHARING FUND					
General:					
Legislative and Administration					
Chief Administrative Office	8,876,512	6,889,060	6,864,060	25,000	7,086
Plant Acquisition					
Community Services Office	10,039,506	5,200,776	1,194,718	4,006,058	9,197,143
Other General					
Community Services Office	1,388,900	1,338,979	1,040,193	298,786	6,668,802
Public Assistance - Administration:					
Human Resources Agency	6,970,786	6,878,631	6,878,631		4,723,981
Total	27,275,704	20,307,447	15,977,602	4,329,844	20,597,012
Total	$102,421,152	75,685,015	66,270,783	9,414,232	60,758,619
RECAPITULATION BY FUNCTION AND ACTIVITY					
General	$ 28,192,921	21,199,953	16,870,109	4,329,844	18,100,713
Public Protection	54,483	284	284		5,108
Public Ways and Facilities	56,702,466	41,976,691	38,405,424	3,571,267	33,509,637
Public Assistance	6,970,786	6,878,631	6,878,631		4,723,981
Education	4,381,451	3,938,208	3,389,700	548,508	4,043,818
Recreation and Cultural	6,119,045	1,691,243	726,633	964,610	375,356
Total	$102,421,152	75,685,015	66,270,783	9,414,232	60,758,619

See Notes to Financial Statements, pages 43 thru 45

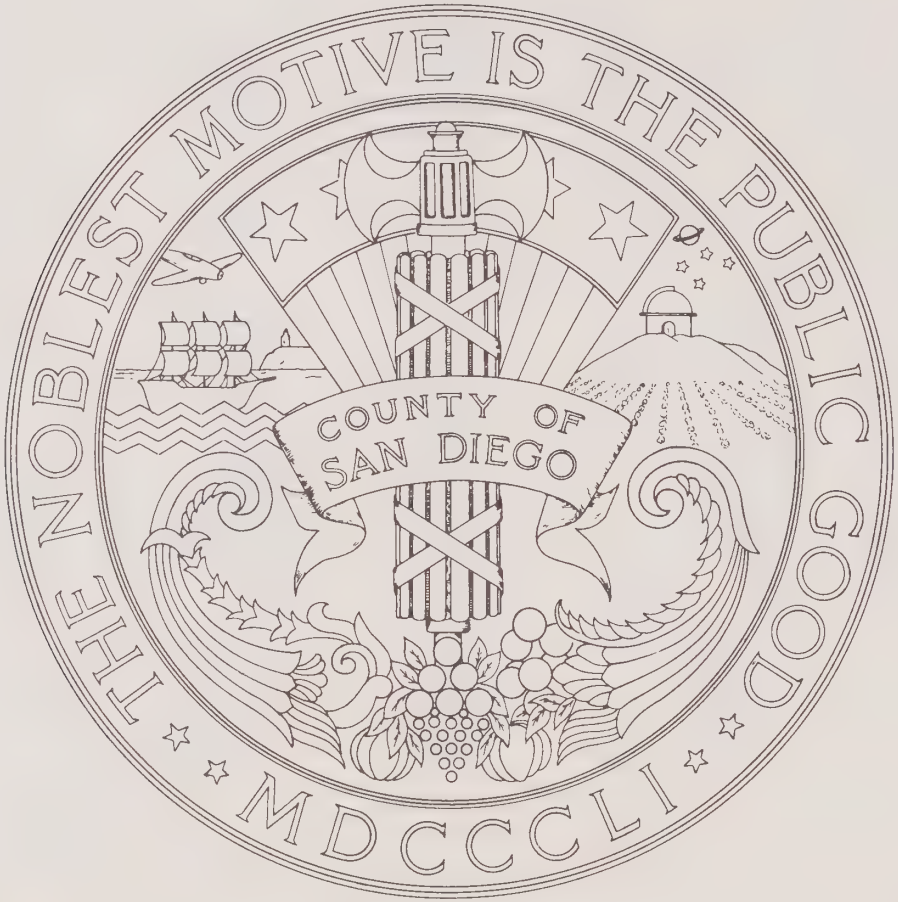
SPECIAL REVENUE FUNDS
COMBINED STATEMENT OF CHANGES IN FUND BALANCES
Year Ended June 30, 1978

STATEMENT 3C

	BEGINNING BALANCE	REVENUE	EXPENDITURES AND ENCUMBRANCES	ENDING BALANCE
Road	$ 149,996	26,243,149	21,646,862	4,746,283
Deferred Compensation Investment	2,560	39,156		41,716
Grazing Land	28,742	5,939		34,681
Local Transportation	17,539,706 [1]	18,863,382	20,292,629	16,110,459
Fish and Game Propagation	20,105	11,536	284	31,358
Livestock Indemnity	25			25
County Library	423,131	4,003,163	3,938,208	488,086
Antirecession	3,318,640	8,038,284	7,771,138	3,585,787
Special Aviation	97,935	43,960	37,200	104,695
Park Land Dedication	4,604,925	2,052,095	1,691,243	4,965,776
Federal Revenue Sharing	11,573,664	18,297,171	20,307,447	9,563,387
Total	$37,759,432	77,597,839 (Statement 3A)	75,685,015 (Statement 3B)	39,672,257 (Statement 3)

1 Previously reported as a Trust Fund.

See Notes to Financial Statements, pages 43 thru 45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DEBT SERVICE FUND

THIS FUND WAS ESTABLISHED TO ACCOUNT FOR THE ACCUMULATION AND DISBURSEMENT OF TAXES AND OTHER REVENUE FOR PERIODIC PAYMENT OF INTEREST AND PRINCIPAL OF COUNTY GENERAL OBLIGATION BOND ISSUES AND MAY NOT BE EXPENDED FOR ANY OTHER PURPOSE. PROVISIONS ARE MADE IN THE COUNTY'S GENERAL PROPERTY TAX LEVY FOR MONIES SUFFICIENT TO MEET THESE REQUIREMENTS.

GENERAL OBLIGATION BOND DEBT SERVICE REQUIREMENTS AT PRESENT ARE AS FOLLOWS:

1958 HOSPITAL BONDS, SERIES A
1958 HOSPITAL BONDS, SERIES B

DEBT SERVICE FUND

BALANCE SHEET
June 30, 1978
With Comparative Figures for June 30, 1977

STATEMENT 4

ASSETS	1978	1977
Cash with County Treasurer	$ 441,524	259,836
Due from Other Funds (Statement 8)	19,778	25,274
Taxes Receivable, Net of Allowance $47,090 ($59,478 in 1977) (Statement 10)	37,515	52,948
Total	$ 498,818	338,059
LIABILITIES		
Due to Other Funds (Statement 8)	7	208
Encumbrances Outstanding		2,500
RESERVE AND EQUITY		
General Reserve		4,725
Fund Balance	498,811	330,625
Total	$ 498,818	338,059

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
Year Ended June 30, 1978
With Comparative Figures for Year Ended June 30, 1977

STATEMENT 4A

	1978	1977
Fund Balance, Beginning of the Year	$ 330,625	202,149
Add: Decrease in General Reserve	4,725	
Revenue:		
Taxes	1,681,693	2,347,063
Aid from Other Governmental Agencies	188,434	271,151
Other Revenue	704	207
Total Revenues	1,870,833	2,618,422
Expenditures:		
Debt Redemption	800,000	775,000
Bond Interest Matured and Service Charges	107,862	134,789
Interest on Notes	799,510	1,580,155
Total Expenditures	1,707,372	2,489,945
Excess of Revenue over Expenditures	163,460	128,476
Fund Balance, End of Year	$ 498,811	330,625

See Notes to Financial Statements, pages 43 thru 45

INTRAGOVERNMENTAL SERVICE FUND

INTRAGOVERNMENTAL SERVICE FUNDS ARE ESTABLISHED TO ACCOUNT FOR SERVICES FURNISHED TO OTHER COUNTY DEPARTMENTS AND ARE FINANCED PRIMARILY BY THESE SERVICE CHARGES. BECAUSE THEY ARE EXEMPT FROM BUDGETARY CONTROL, THEY ARE FREE TO EMPLOY COMMERCIAL ACCOUNTING TECHNIQUES, AND ARE OFTEN USED IN SITUATIONS WHERE A MORE ACCURATE DETERMINATION OF OPERATING RESULTS IS DESIRED.

INTRAGOVERNMENTAL SERVICE FUND
BALANCE SHEET
June 30, 1978
With Comparative Figures for June 30, 1977

STATEMENT 5

	1978	1977
ASSETS		
Cash with County Treasurer	$2,144,655	1,688,761
Collections in Transit		1,438
Imprest Cash	105,770	103,775
Due from Other Funds (Statement 8)	184,784	106,636
Accounts Receivable	425,647	260,134
Inventory of Equipment, Materials and Supplies, at cost	1,536,936	1,295,882
Due from Other Funds - Loans	313,959	193,259
Equipment, Net of Allowance for Depreciation of $3,288,201 ($3,064,274 in 1977)	2,568,648	2,638,385
Total	$7,280,400	6,288,273
LIABILITIES		
Accounts Payable	$ 961,302	314,843
Due to Other Funds (Statement 8)	82,795	82,027
Due to Other Funds - Loans	170,000	60,000
Total	1,214,098	456,870
EQUITIES		
Reserve for Replacement	164,209	
Contributed Capital (Statement 5B)	5,167,319	5,022,824
Retained Earnings (Statement 5B)	734,774	808,578
Total	$7,280,400	6,288,273

See Notes to Financial Statements, Pages 43 thru 45

INTRAGOVERNMENTAL SERVICE FUND
STATEMENT OF OPERATIONS
Year Ended June 30, 1978
With Comparative Figures for Year Ended June 30, 1977

STATEMENT 5A

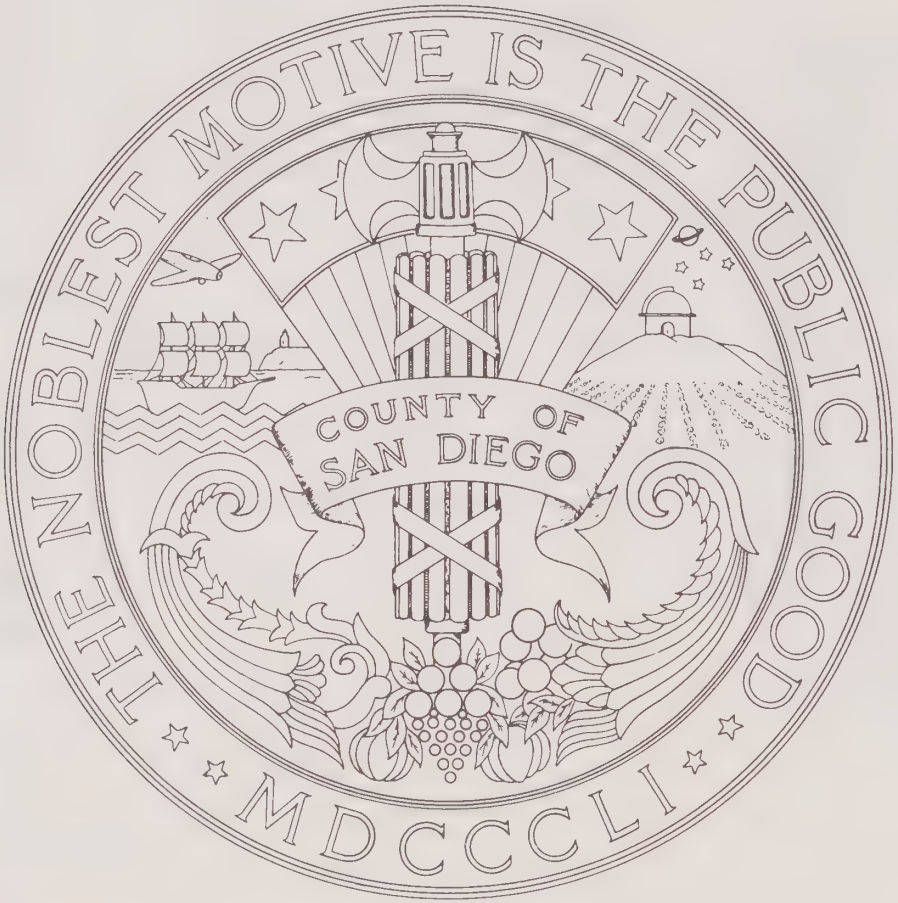
	1978	1977
Sales and Billings	$8,477,890	7,630,178
Less Cost of Services Rendered:		
Cost of Materials	4,123,058	3,448,961
Maintenance of Shop and Equipment	2,028,423	1,961,677
Fuel	478,249	440,683
Depreciation	447,193	494,579
General Expense	1,469,222	1,092,722
Total Cost of Services Rendered	8,546,147	7,438,622
Excess of Sales and Billings over Costs of Services Rendered	(68,256)	191,556
Add Other Revenues, Principally Interest	118,392	85,244
Net Earnings	$ 50,136	276,800

STATEMENT OF CHANGES IN RETAINED EARNINGS AND CONTRIBUTED CAPITAL
Year Ended June 30, 1978

STATEMENT 5B

	RETAINED EARNINGS	CONTRIBUTED CAPITAL
Balances, Beginning of Year	$ 808,578	5,022,824
Net Earnings	50,136	
Other Additions:		
Capital Contributions, Net		144,495
Transfers from Other Funds	40,268	
Transfer to Reserve for Equipment Replacement	(164,209)	
Balance, End of Year (Statement 5)	$ 734,774	5,167,319
Source of Contributed Capital:		
Road Fund		4,258,659
General Fund		907,660
Library Fund		1,000
Total (Statement 5)		$5,167,319

See Notes to Financial Statements, pages 43 thru 45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TRUST AND AGENCY FUNDS

TRUST FUNDS

TRUST FUNDS ARE MAINTAINED EITHER ON A CASH OR ACCRUAL BASIS AND ARE DIVIDED INTO THE FOLLOWING FOUR GROUPS ACCORDING TO PURPOSE:

PROPERTY TAX COLLECTION FUNDS

THESE FUNDS ARE USED FOR RECORDING THE COLLECTION AND DISTRIBUTION OF PROPERTY TAXES AND INTEREST ON BANK DEPOSITS AND ARE UNDER THE CONTROL OF ONE OR MORE COUNTY OFFICERS.

COUNTY DEPARTMENTAL FUNDS

THESE FUNDS ARE UNDER THE CONTROL OF A SINGLE COUNTY OFFICER WHO USES THE FUND FOR VARIOUS TYPES OF DEPOSIT RECEIPTS. DISBURSEMENTS ARE MADE FROM THESE FUNDS BY THE AUDITOR AND CONTROLLER BASED ON A PROPERLY WRITTEN AUTHORIZATION FROM THE RESPONSIBLE OFFICER.

SPECIAL PURPOSE FUNDS

THESE FUNDS ARE UNDER THE CONTROL OF VARIOUS COUNTY OFFICERS AND ARE USED TO ACCUMULATE RESOURCES FOR SPECIFIC PURPOSES, E.G. SPECIAL ASSESSMENT DISTRICT DEBT SERVICE TRUST FUNDS FOR WHICH THE COUNTY TREASURER-TAX COLLECTOR ACTS IN A TRUST CAPACITY AND THE ACCUMULATED TRUST MONIES ARE DISBURSED TO BONDHOLDERS IN PAYMENT OF BOND PRINCIPAL AND INTEREST, AND SPECIAL ASSESSMENT BONDS WHICH ARE ISSUED TO FINANCE CONSTRUCTION UNDER THE 1911 AND 1913 ACTS.

EMPLOYEES' RETIREMENT SYSTEM FUND

THIS FUND IS UNDER THE CONTROL OF THE BOARD OF RETIREMENT. THE FUND ACCUMULATES CONTRIBUTIONS FROM THE COUNTY, CONTRIBUTIONS FROM EMPLOYEES, AND EARNINGS FROM THE FUND'S INVESTMENTS. DISBURSEMENTS ARE MADE FROM THE FUND FOR RETIREMENTS, DISABILITY AND DEATH BENEFITS, AND REFUNDS.

AGENCY FUNDS

AGENCY FUNDS DO NOT REPRESENT FUNDS OF THE COUNTY, BUT INCLUDE MONIES BELONGING TO AGENCIES WHICH USE THE COUNTY TREASURY AS THEIR DEPOSITORY AND IN SOME CASES HAVE THE AUDITOR AND CONTROLLER AS THEIR ACCOUNTING OFFICER TO RECORD ALL TRANSACTIONS.

THESE INCLUDE SPECIAL DISTRICTS GOVERNED BY THE BOARD OF SUPERVISORS, SPECIAL DISTRICTS GOVERNED BY LOCAL BOARDS, JOINT POWERS AUTHORITIES, FEDERAL EMPLOYMENT TRAINING FUNDS, SPECIAL OPERATING FUNDS, AND SCHOOL DISTRICT FUNDS.

TRUST AND AGENCY FUNDS
COMBINED BALANCE SHEET
June 30, 1978

STATEMENT 6

		TRUST FUNDS				AGENCY FUNDS
ASSETS	TOTAL	PROPERTY TAX COLLECTION FUNDS	COUNTY DEPARTMENTAL FUNDS	SPECIAL PURPOSE FUNDS	EMPLOYEES RETIREMENT SYSTEM FUND	
Cash with County Treasurer	$ 316,872,815	18,119,980	11,755,809	70,518,110	12,048,028	204,430,886
Cash in Banks	8,255,083		224,574	7,306,332		724,177
Collections in Transit	4,004,364	2,945,392	262,415	640,517		156,038
Imprest Cash	7,550		7,050	500		
Due from Other Funds (Statement 8)	5,283,025	305,955	1,051,854	42,852		3,882,362
Investments (Statement 9)	233,190,597			1,755,389	231,415,207	20,000
Total	$ 567,613,437	21,371,328	13,301,704	80,263,702	243,463,236	209,213,465
LIABILITIES						
Warrants Payable	$ 47,077,304			47,077,304		
Tax Collections Due to Other Governmental Units	15,383,470	15,383,470				
Agency Funds Held for Other Governmental Units	205,106,399					205,106,399
Trust Obligation	282,017,702		12,223,439	26,331,026	243,463,236	
Due to Other Funds (Statement 8)	17,680,170	5,987,858	1,078,265	6,855,371		3,758,676
Due to Other Funds - Loans	348,389					348,389
Total	$ 567,613,437	21,371,328	13,301,704	80,263,702	243,463,236	209,213,465

TRUST AND AGENCY FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 1978

STATEMENT 6A

	BEGINNING CASH BALANCE	RECEIPTS	DISBURSEMENTS	ENDING CASH BALANCE
Property Tax Collection Trust Funds	$ 26,163,565	983,862,876	991,906,462	18,119,980
County Departmental Trust Funds	9,451,671	73,624,241	71,320,103	11,755,809
Special Purpose Trust Funds	68,939,439*	285,154,873	283,576,203	70,518,110
Employees Retirement System Fund	1,197,376	89,958,428	79,107,776	12,048,028
Agency Funds	172,926,492	1,008,097,182	976,592,787	204,430,886
Total	$278,678,546	2,440,697,601	2,402,503,332	316,872,815

* Does not include the Beginning Cash Balance of the Local Transportation Fund which is now presented as a Special Revenue Fund (see Note 5 to Financial Statements)

See Notes to Financial Statements, pages 43 thru 45

NOTES TO FINANCIAL STATEMENTS
June 30, 1978

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

THE ACCOUNTING POLICIES OF THE COUNTY OF SAN DIEGO CONFORM TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES AS APPLICABLE TO GOVERNMENTAL UNITS. THE FOLLOWING IS A SUMMARY OF THE MORE SIGNIFICANT OF SUCH POLICIES.

A. BASIS OF ACCOUNTING:

THE COUNTY USES A MODIFIED ACCRUAL BASIS OF ACCOUNTING FOR THE GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS. EXPENDITURES, OTHER THAN INTEREST ON LONG TERM DEBT AND PREPAID EXPENSES, ARE RECORDED WHEN THE LIABILITY IS INCURRED. REVENUES ARE RECORDED WHEN RECEIVED IN CASH UNLESS THEY ARE SUSCEPTIBLE TO ACCRUAL, I.E., MEASURABLE AND AVAILABLE TO FINANCE THE COUNTY'S OPERATIONS OR OF A MATERIAL AMOUNT AND NOT RECEIVED AT THE NORMAL TIME OF RECEIPT PRIOR TO YEAR END. REVENUES WHICH ARE ACCRUED INCLUDE REAL AND PERSONAL PROPERTY TAXES, SALES TAX, MOTOR VEHICLE IN-LIEU TAX, INTEREST, AND STATE AND FEDERAL GRANTS AND SUBVENTIONS. REVENUES WHICH ARE NOT CONSIDERED SUSCEPTIBLE TO ACCRUAL INCLUDE CHARGES FOR CURRENT SERVICES, LICENSES AND PERMITS, FINES, FORFEITURES AND PENALTIES, AND PROCEEDS FROM THE SALE OF FIXED ASSETS.

THE INTRAGOVERNMENTAL SERVICE FUND IS ACCOUNTED FOR ON THE ACCRUAL BASIS; TRUST AND AGENCY FUNDS REFLECT CASH TRANSACTIONS RECORDED BY THE COUNTY IN FULLFILLMENT OF ITS FIDUCIARY RESPONSIBILITIES, PRINCIPALLY FOR OR ON BEHALF OF OTHER AGENCIES.

B. INVESTMENTS:

INVESTMENTS ARE STATED AT COST OR AMORTIZED COST. THE ESTIMATED MARKET VALUE OF INVESTMENT SECURITIES HELD BY THE EMPLOYEES' RETIREMENT SYSTEM FUND WAS APPROXIMATELY $24 MILLION BELOW AMORTIZED COSTS; THE POLICY OF THE RETIREMENT BOARD IS SUCH THAT THEY ANTICIPATE THESE SECURITIES WILL NORMALLY BE HELD UNTIL MATURITY, UNLESS THEY CAN BE EXCHANGED FOR HIGHER YIELDING SECURITIES.

C. FIXED ASSETS

GENERAL FIXED ASSETS ARE RECORDED AS EXPENDITURES IN THE GENERAL FUND AND SPECIAL REVENUE FUNDS AT TIME OF PURCHASE. THESE ASSETS ARE CAPITALIZED AT COST IN THE GENERAL FIXED ASSETS GROUP OF ACCOUNTS. IN THE CASE OF ACQUISITIONS THROUGH GIFTS OR CONTRIBUTIONS, SUCH ASSETS ARE RECORDED AT FAIR MARKET VALUE AT THE TIME RECEIVED. NO DEPRECIATION HAS BEEN PROVIDED ON GENERAL FIXED ASSETS. FIXED ASSETS CONSISTING OF CERTAIN IMPROVEMENTS OTHER THAN BUILDINGS, INCLUDING ROADS, BRIDGES, CURBS AND GUTTERS, STREETS AND SIDEWALKS, AND DRAINAGE SYSTEMS, HAVE NOT BEEN CAPITALIZED. SUCH ASSETS NORMALLY ARE IMMOVABLE AND OF VALUE ONLY TO THE COUNTY; THEREFORE, THE PURPOSES OF STEWARDSHIP AND CUMULATIVE ACCOUNTABILITY FOR CAPITAL EXPENDITURES ARE SATISFIED WITHOUT RECORDING THESE ASSETS.

INTRAGOVERNMENTAL SERVICE FUND FIXED ASSETS CONSIST OF EQUIPMENT WHICH HAS BEEN ACQUIRED FOR THE PURPOSE OF ENABLING THE FUND TO PROVIDE SERVICES TO OTHER COUNTY FUNDS. SUCH ASSETS PURCHASED ARE RECORDED IN THE INTRA-GOVERNMENTAL SERVICE FUND AND CAPITALIZED AT COST. DEPRECIATION IS PROVIDED ON THE-HOURS-OF-SERVICE METHOD OVER THE ESTIMATED USEFUL LIFE OF THE EQUIPMENT.

D. INVENTORIES:

INVENTORIES WHICH CONSIST OF EXPENDABLE SUPPLIES ARE STATED AT COST. THEY ARE ACCOUNTED FOR AS EXPENDITURES AT THE TIME OF PURCHASE AND REPORTED IN THE BALANCE SHEET OF THE GENERAL FUND AS AN ASSET WITH AN OFFSETTING RESERVE. INVENTORY HELD BY SPECIAL REVENUE FUNDS AND THE INTRAGOVERNMENTAL SERVICE FUND FOR RESALE IS CARRIED AT AVERAGE COST AND IS NOT RESERVED.

E. SELF-INSURANCE:

THE COUNTY IS SELF-INSURED FOR CERTAIN CLAIMS (NOTE 5); UNINSURED CLAIMS ARE RECORDED WHEN A DETERMINABLE LOSS HAS BEEN INCURRED. IN FISCAL YEAR 1978-79 THE COUNTY BEGAN ESTABLISHING AN ANNUAL GENERAL FUND RESERVE OF $1.0 MILLION FOR PAYMENT OF EXCESS LIABILITY CLAIMS IN ADDITION TO THE ANNUAL APPROPRIATION FOR ANTICIPATED CLAIMS.

F. COMPARATIVE DATA:

COMPARATIVE DATA FOR THE PRIOR YEAR HAS BEEN PRESENTED IN CERTAIN OF THE ACCOMPANYING FINANCIAL STATEMENTS IN ORDER TO PROVIDE AN UNDERSTANDING OF CHANGES IN THE COUNTY'S FINANCIAL POSITION AND OPERATIONS. HOWEVER, COMPLETE COMPARATIVE DATA HAS NOT BEEN PRESENTED WHERE ITS INCLUSION WOULD NOT PROVIDE MEANINGFUL COMPARISONS. ALSO, FOR COMPARABILITY, CERTAIN OF THE PRIOR YEAR FIGURES HAVE BEEN RECLASSIFIED TO CONFORM WITH THE CURRENT YEAR FINANCIAL STATEMENT PRESENTATION.

2. PROPERTY TAX COLLECTION TRUST FUNDS

THE COUNTY IS RESPONSIBLE FOR THE COLLECTION OF PROPERTY TAXES FOR ALL GOVERNMENTAL ENTITIES WITHIN THE COUNTY. AT JUNE 30, 1978, SUCH TAXES RECEIVABLE AMOUNTED TO APPROXIMATELY $90,300,000, OF WHICH APPROXIMATELY $51,317,000 WERE FOR THE 1978-79 FISCAL YEAR SECURED TAX LEVY AND $38,983,000 WERE FOR THE 1977-Z8 AND PRIOR YEARS' TAX LEVIES. OF THE $38,983,000, TAXES RECEIVABLE APPLICABLE TO COUNTY FUNDS AMOUNTED TO APPROXIMATELY $5,920,000, OF WHICH $3,329,000 HAS BEEN RESERVED DUE TO UNCERTAINTY AS TO THE AMOUNT ULTIMATELY COLLECTIBLE.

AT JUNE 30, 1978, THE COUNTY HELD RECEIPTS IN TRUST AMOUNTING TO $589,635 APPLICABLE TO THE 1978-79 UNSECURED TAX LEVY WHICH WAS NOT DISTRIBUTED TO THE VARIOUS TAXING AUTHORITIES UNTIL AFTER JUNE 30, 1978. OF THIS AMOUNT, APPROXIMATELY $126,872 IS APPLICABLE TO COUNTY FUNDS. THE COUNTY ALSO HELD $1,987,004 IN TRUST AT JUNE 30, 1978, WHICH ARE PARTIAL PAYMENTS RECEIVED ON PRIOR YEAR SECURED TAXES OF $3,980,356 PLACED ON THE FIVE-YEAR INSTALLMENT COLLECTION PLAN. THESE COLLECTIONS ARE NOT APPORTIONED, NOR ARE TAXES RECEIVABLE REDUCED, UNTIL THE FULL AMOUNT OF ONE YEAR'S TAXES INCLUDED IN A PAYMENT PLAN ACCOUNT IS COLLECTED.

3. LEASE COMMITMENTS

THE COUNTY HAS COMMITMENTS UNDER LONG-TERM REAL PROPERTY OPERATING LEASE AGREEMENTS FOR FACILITIES USED FOR OPERATIONS. GENERALLY, LEASE AGREEMENTS PROVIDE FOR CANCELLATION IN THE EVENT THE BOARD OF SUPERVISORS DOES NOT APPROPRIATE FUNDING IN SUBSEQUENT FISCAL YEARS; THEREFORE, THE COUNTY IS NOT OBLIGATED BEYOND THE END OF EACH FISCAL YEAR.

THE COUNTY IS THE LESSEE UNDER TERMS OF FOUR NON-CANCELLABLE OPERATING LEASES FOR REAL PROPERTY USED TO HOUSE CERTAIN COUNTY FACILITIES. THE COMBINED RENTAL COST FOR WHICH THE COUNTY IS OBLIGATED UNDER THESE LEASES IS AS FOLLOWS:

YEAR	LEASE RENTAL PAYMENTS
1978-79	$ 638,832
1979-80	508,664
1980-81	258,456
1981-82	258,456
1982-83	258,456
BALANCE OF LEASE	332,124

TOTAL RENTAL EXPENSE FOR ALL REAL PROPERTY OPERATING LEASES FOR THE YEAR ENDED JUNE 30, 1978, WAS APPROXIMATELY $4.9 MILLION.

IN ADDITION TO REAL PROPERTY LEASES, THE COUNTY HAS ALSO ENTERED INTO LONG-TERM LEASES FOR PERSONAL PROPERTY, A LARGE PORTION OF WHICH REPRESENTS DATA PROCESSING AND DUPLICATING EQUIPMENT. MANY OF THESE LEASES ARE SUBJECT TO ANNUAL ADJUSTMENT BASED UPON NEGOTIATIONS. MANAGEMENT EXPECTS THAT IN THE NORMAL COURSE OF BUSINESS, LEASES THAT EXPIRE WILL BE RENEWED OR REPLACED BY OTHER LEASES. TOTAL RENTAL EXPENSE FOR THESE OPERATING LEASES FOR THE YEAR ENDED JUNE 30, 1978, WAS APPROXIMATELY $7.7 MILLION.

THE COUNTY IS ALSO CONTINGENTLY LIABLE FOR LEASE PAYMENTS RELATIVE TO A LEASE ENTERED INTO BY VARIOUS AUTHORITIES CREATED UNDER A JOINT POWERS AGREEMENT WITH OTHER GOVERNMENTAL AGENCIES; THE LEASE AGREEMENT CALLS FOR AN AGGREGATE OF APPROXIMATELY $1.5 MILLION IN LEASE PAYMENTS THROUGH 1987.

CERTAIN BUILDINGS AND EQUIPMENT WHICH COST APPROXIMATELY $40,500,000 ARE BEING LEASED UNDER CAPITAL LEASES. THE COST OF THE ASSETS HAS BEEN CAPITALIZED AND THE PRESENT VALUE OF THE LEASE OBLIGATION HAS BEEN RECORDED AS A LIABILITY.

THE FOLLOWING IS A SCHEDULE BY YEARS OF ALL FUTURE MINIMUM LEASE PAYMENTS UNDER CAPITAL LEASES TOGETHER WITH THE PRESENT VALUE OF THE NET MINIMUM LEASE PAYMENTS AS OF JUNE 30, 1978:

YEAR ENDING JUNE 30:	
1979	$ 1,450,357
1980	3,485,569
1981	3,274,158
1982	3,251,079
1983	3,251,079
LATER YEARS	50,659,340
TOTAL MINIMUM LEASE PAYMENTS	65,371,582
LESS: AMOUNT REPRESENTING INTEREST (7.0 %)	(32,483,229)
PRESENT VALUE OF MINIMUM LEASE PAYMENTS	$32,888,353

4. EMPLOYEES' RETIREMENT SYSTEM

THE EMPLOYEES' RETIREMENT SYSTEM OF THE COUNTY OF SAN DIEGO, ESTABLISHED JULY 1, 1939, UNDER PROVISIONS OF THE COUNTY EMPLOYEES' RETIREMENT LAW OF 1937, IS A CONTRIBUTORY-TYPE PLAN COVERING SUBSTANTIALLY ALL EMPLOYEES. FOR THE FISCAL YEAR ENDED JUNE 30, 1978, COUNTY CONTRIBUTIONS TO THE RETIREMENT FUND AMOUNTED TO APPROXIMATELY $15.7 MILLION (DETERMINED UNDER THE ENTRY AGE NORMAL COST FUNDING METHOD) AND $9.1 MILLION WAS CONTRIBUTED BY EMPLOYEE MEMBERS. ALL PRIOR SERVICE LIABILITIES ARISING FROM SERVICES RENDERED PRIOR TO JULY 1, 1939, WERE FULLY FUNDED BY JUNE 30, 1965. SUBSEQUENTLY, THE COUNTY HAS ADOPTED A NUMBER OF REVISIONS TO THE RETIREMENT SYSTEM WHICH HAVE MATERIALLY AFFECTED THE LIABILITIES AND FINANCING OF THE RETIREMENT FUND. THE CUMULATIVE EFFECT OF THOSE REVISIONS HAS RESULTED IN AN UNFUNDED PAST SERVICE LIABILITY OF $227 MILLION, WHICH IS BEING FUNDED OVER A 30-YEAR PERIOD TO DECEMBER 31, 2007. DURING THE YEAR ENDED JUNE 30, 1978, THE INTEREST ASSUMPTION RATE WAS INCREASED FROM 6½% TO 7%. THE EFFECT OF THIS CHANGE WAS TO DECREASE THE COUNTY'S CONTRIBUTION TO THE RETIREMENT FUND BY APPROXIMATELY 8%. ADDITIONAL COSTS RESULTING FROM INFLATIONARY IMPACT ON THE COST OF LIVING BENEFIT FORMULA AND COSTS OF THE RETIREE HEALTH INSURANCE AND DEATH BENEFITS ARE BEING PAID ON A CURRENT BASIS FROM SURPLUS INVESTMENT EARNINGS IN THE FUND. AT JUNE 30, 1978, IN ADDITION TO THE RESERVES OF $6.0 MILLION ALREADY PROVIDED FOR COST OF LIVING BENEFITS AND RETIRED HEALTH INSURANCE PAYMENTS, $4.7 MILLION OF RETIREMENT PLAN UNDISTRIBUTED EARNINGS ARE ALSO AVAILABLE TO COVER LIABILITIES ARISING FROM THESE BENEFITS. AT DECEMBER 31, 1977, THE DATE OF THE MOST RECENT ACTUARIAL VALUATION REPORT, THE ACTUARIALLY COMPUTED VALUE OF VESTED BENEFITS WAS $409 MILLION, OF WHICH $233 MILLION, OR 57% WAS FUNDED. THE RETIREMENT SYSTEM OPERATES ON A CALENDAR YEAR BASIS AND HAS AN ACTUARIAL VALUATION PREPARED ANNUALLY. THE ABOVE ACTUARIALLY COMPUTED LIABILITIES ARE BASED UPON ASSUMPTIONS WHICH, FOR THE FIRST TIME, MAKE PROVISION FOR FUTURE SALARY INCREASES RESULTING FROM INFLATIONARY FACTORS, AND FOR FULL FUNDING OF COST-OF-LIVING BENEFITS.

5. COMMITMENTS AND CONTINGENCIES

ON JULY 21, 1978, THE COUNTY ISSUED $60 MILLION OF 5% TAX ANTICIPATION NOTES. PROCEEDS FROM THESE NOTES ARE TO BE USED TO FINANCE GENERAL COUNTY OPERATIONS PENDING RECEIPT OF 1978-79 PROPERTY TAX REVENUES. THE NOTES ARE TO BE REPAID ON JUNE 14, 1979, FROM COLLECTIONS OF SECURED PROPERTY TAXES, WHICH COLLECTIONS HAVE BEEN PLEDGED TO SECURE THE NOTES.

THE COUNTY HAS A SELF-ADMINISTERED RISK MANAGEMENT PROGRAM WHEREBY IT IS SELF INSURED FOR PREMISES LIABILITY FOR MEDICAL FACILITIES, MEDICAL MALPRACTICE, ERRORS AND OMISSIONS, FALSE ARREST, FORGERY AND PUBLIC LIABILITY.

IN THE OPINION OF THE COUNTY COUNSEL, THERE IS A POTENTIAL LIABILITY OF $4.6 MILLION WHICH COULD RESULT IF UNFAVORABLE DECISIONS ARE RENDERED IN THE USUAL LEGAL ACTIONS PENDING, IN WHICH THE COUNTY IS NAMED THE DEFENDANT, WHERE SUCH ACTIONS EITHER EXCEED THE LIMITS OF COVERAGE PROVIDED BY THE VARIOUS INSURANCE POLICIES CARRIED BY THE COUNTY OR WHERE NO INSURANCE COVERAGE IS PROVIDED. IN ADDITION, A POTENTIAL LIABILITY OF APPROXIMATELY $6 MILLION COULD RESULT IF AN UNFAVORABLE DECISION IS RENDERED IN A PENDING INVERSE CONDEMNATION LEGAL ACTION. IN THE OPINION OF COUNTY MANAGEMENT, THE ULTIMATE RESOLUTION OF THESE MATTERS SHOULD NOT HAVE A SIGNIFICANT EFFECT ON THE FINANCIAL POSITION OR RESULTS OF OPERATIONS OF THE FUNDS OF THE COUNTY.

THE COUNTY HAS AN ESTIMATED $1.5 MILLION POTENTIAL LIABILITY AT JUNE 30, 1978, ARISING FROM CLAIMS UNDER THE NON-INSURED PORTION OF ITS SELF-ADMINISTERED WORKERS' COMPENSATION PROGRAM INSTITUTED IN 1968. APPROPRIATIONS ARE BUDGETED ANNUALLY TO PROVIDE FOR THOSE PORTIONS OF OBLIGATIONS COMING DUE THAT FISCAL YEAR.

COUNTY EMPLOYEES HAVE UNRECORDED ACCUMULATED BENEFITS OF APPROXIMATELY $41.1 MILLION FOR EMPLOYEE COMPENSATORY TIME OFF, SICK LEAVE AND VACATION EARNED. NORMALLY, THESE ACCUMULATED BENEFITS WILL BE LIQUIDATED IN FUTURE YEARS AS EMPLOYEES ELECT TO USE THEIR BENEFITS AS PRESCRIBED BY CIVIL SERVICE RULES AND REGULATIONS. $13.9 MILLION OF THIS AMOUNT REPRESENTS COMPENSATORY TIME OFF AND VACATION EARNED, WHICH EMPLOYEES MAY ELECT TO HAVE PAID IN CASH UPON SEPARATION FROM COUNTY SERVICE FOR ANY REASON. ALSO INCLUDED IS $5.1 MILLION WHICH IS THE VALUE OF THAT PORTION OF SICK LEAVE BENEFITS PAYABLE IN CASH UPON RETIREMENT OF EMPLOYEES WITH 10 OR MORE YEARS OF COUNTY SERVICE. IN THE NORMAL COURSE OF BUSINESS, ALL PAYMENTS OF THESE ACCUMULATED BENEFITS WILL BE FUNDED FROM THE APPROPRIATIONS OF THE YEAR IN WHICH THEY ARE ACTUALLY PAID.

THE RESERVE FOR COURT RESTRAINING ORDER OF $1,165,000 WAS ESTABLISHED PENDING A RULING BY THE CALIFORNIA COURT OF APPEALS CONCERNING DISPOSITION OF LOCAL TRANSPORTATION FUNDS. THE APPELLATE COURT RULED IN FAVOR OF THE COUNTY AUDITOR DURING JULY 1978, SO THAT DISPOSITION OF THE $1,165,000 IN THE NORMAL PROCESS DEFINED BY THE TRANSPORTATION ACT WILL BE COMPLETED DURING THE YEAR 1978-79. AS A RESULT OF THE COURT DECISION THE LOCAL TRANSPORTATION FUND WAS RECLASSIFIED FROM A TRUST FUND TO A SPECIAL REVENUE FUND AND THE 1976-77 FIGURES HAVE BEEN RESTATED TO REFLECT THIS CHANGE.

6. COUNTY RESERVE FUNDS

THE COUNTY FUNDS BALANCE SHEET REPORTS A NUMBER OF RESERVES WHICH ARE MAINTAINED FOR SPECIFIC PURPOSES. THE NATURE AND PURPOSE OF THESE RESERVES ARE EXPLAINED BELOW:

RESERVE FOR LOANS TO OTHER FUNDS: $125,439

THIS IS A RESERVE WHICH REPRESENTS THE SEGREGATION OF A PORTION OF THE FUND BALANCE TO INDICATE THAT ASSETS EQUAL TO THE AMOUNT OF THE RESERVE ARE OBLIGATED UNDER LONG-TERM LOANS TO ANOTHER FUND AND ARE, THEREFORE, NOT AVAILABLE FOR APPROPRIATION.

RESERVE FOR REPLACEMENT OF EQUIPMENT: $164,209

CERTAIN EQUIPMENT IN THE ROAD EQUIPMENT INTRAGOVERNMENTAL SERVICE FUND IS DEPRECIATED ON THE STRAIGHT LINE BASIS USING COST, BUT IS BILLED TO THE ROAD FUND AT RATES BASED ON ESTIMATED REPLACEMENT VALUE. THIS RESERVE REPRESENTS THE DIFFERENCE BETWEEN DEPRECIATION BASED ON COST AND DEPRECIATION BASED ON REPLACEMENT VALUE.

RESERVE FOR ACCOUNTS AND NOTES RECEIVABLE: $1,029,687

THIS AMOUNT REPRESENTS THE BALANCE OWING TO THE COUNTY RESULTING FROM THE SALE OF SURPLUS COUNTY PROPERTY TO OTHERS. THESE AMOUNTS ARE CARRIED AS A RESERVE UNTIL THEY ARE COLLECTED, AT WHICH TIME THEY WILL BE REPORTED AS REVENUE.

DEPOSITS WITH OTHERS: $2,891,054

AMOUNTS DEPOSITED WITH THE COURTS BY THE ROAD DEPARTMENT IN CONNECTION WITH THE CONDEMNATION OF PROPERTY FOR STREET AND ROAD PURPOSES IS HELD IN A RESERVE ACCOUNT UNTIL PAID OUT TO PROPERTY OWNERS. ALSO, DEPOSITS WITH OTHER JURISDICTIONS IN CONNECTION WITH JOINT CONSTRUCTION PROJECTS ARE INCLUDED IN THIS RESERVE ACCOUNT UNTIL PAID.

GENERAL, SPECIAL, REVENUE, DEBT SERVICE AND INTRAGOVERNMENTAL SERVICE FUNDS
COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
Year Ended June 30, 1978

STATEMENT 7

	CASH WITH COUNTY TREASURER			
	BEGINNING BALANCE	RECEIPTS	DISBURSEMENTS	ENDING BALANCE
General Fund	$ 38,949,522	484,000,361	494,897,601	28,052,282
Special Revenue Funds:				
Road Fund	5,547,703	23,917,171	24,575,672	4,889,202
Deferred Compensation Investment Fund	175,808	827,257	24,445	978,620
Grazing Land Fund	28,742	5,939		34,681
Fish and Game Propagation Fund	22,733	10,768	4,261	29,239
Livestock Indemnity Fund	25			25
County Library Fund	1,300,871	5,945,089	6,086,796	1,159,164
Special Aviation Fund	105,805	73,376	48,494	130,688
Park Land Dedication Fund	4,861,525	1,989,534	989,358	5,861,701
Antirecession Fund	3,661,377	8,011,951	7,977,978	3,695,349
Federal Revenue Sharing Fund	18,090,961	17,961,245	23,607,894	12,444,313
Local Transportation Fund	17,663,629*	18,894,141	20,051,172	16,506,598
Debt Service Fund	259,836	1,891,560	1,709,872	441,524
Intragovernmental Service Fund	1,688,761	8,682,835	8,226,941	2,144,655
Total	$ 92,357,306	572,211,230	588,200,489	76,368,048

* Previously reported as a Trust Fund (see Note 5)

ALL FUNDS
COMBINED STATEMENT OF INTERFUND ACCOUNTS
June 30, 1978

STATEMENT 8

	DUE FROM OTHER FUNDS	DUE TO OTHER FUNDS
General Fund:		
Road Fund	$ 115,226	$ 324,308
County Library Fund	13,442	2,084
Antirecession Fund	202,748	
Special Aviation Fund	1,708	
Park Land Dedication Fund	32,159	
Federal Revenue Sharing Fund	1,903,181	218,943
Intragovernmental Service Fund	25,947	27,511
Property Tax Collection Trust Funds	3,735,738	2,933
County Departmental Trust Funds	913,249	128,833
Special Purpose Trust Funds	5,832,633	28,827
Agency Funds	649,021	33,604
Total General Fund (Statement 2)	$13,425,057	$ 767,048
Special Revenue Funds:		
Road Fund:		
General Fund	$ 324,308	$ 115,226
County Library Fund	66	
Park Land Dedication Fund	193	
Intragovernmental Service Fund	52,119	119,513
Property Tax Collection Trust Funds	88,950	
County Departmental Trust Funds	125,054	
Special Purpose Trust Funds	67,349	49
Agency Funds	207,046	4,457
Deferred Compensation Investment Fund-Property Tax Collection Trust Funds	18,063	
Fish and Game Propagation Fund-County Department Trust Funds	2,121	
County Library Fund:		
General Fund	2,084	13,442
Property Tax Collection Trust Funds	48,327	6
Agency Funds	5,708	66
Antirecession Fund:		
General Fund		202,748
Property Tax Collection Trust Funds	93,185	
Special Aviation Fund:		
General Fund		1,708
Property Tax Collection Trust Funds	2,844	
Park Land Dedication Fund:		
General Fund		32,159
Road Fund		193
Property Tax Collection Trust Fund	121,093	
Federal Revenue Sharing Fund:		
General Fund	218,943	1,903,181
Property Tax Collection Trust Funds	330,814	
Local Transportation Fund-Property Tax Collection Trust Funds	301,852	
Total Special Revenue Funds (Statement 3)	$ 2,010,128	$ 2,392,752
Debt Service Fund-Property Tax Collection Trust Funds (Statement 4)	$ 19,778	$ 7

ALL FUNDS
COMBINED STATEMENT OF INTERFUND ACCOUNTS continued
June 30, 1978

STATEMENT 8 contd

	DUE FROM OTHER FUNDS	DUE TO OTHER FUNDS
Intragovernmental Service Fund:		
General Fund	$ 27,511	$ 25,947
Road Fund	119,513	52,119
Intragovernmental Service Fund	413	413
Property Tax Collection Trust Funds	37,086	
County Departmental Trust Funds	258	433
Special Purpose Fund		3,881
Total Intragovernmental Service Funds (Statement 5)	$ 184,784	$ 82,795
Trust and Agency Funds:		
Property Tax Collection Trust Funds:		
General Fund	$ 2,933	$ 3,735,738
Road Fund		88,950
Deferred Compensation Investment Fund		18,063
County Library Fund	6	48,327
Antirecession Fund		93,185
Special Aviation Fund		2,844
Park Land Dedication Fund		121,093
Federal Revenue Sharing Fund		330,814
Local Transportation Fund		301,852
Debt Service Fund	7	19,778
Intragovernmental Service Fund		37,086
Property Tax Collection Trust Funds	301,264	301,264
Agency Funds	1,744	888,857
County Departmental Trust Funds:		
General Fund	128,833	913,249
Road Fund		125,054
Fish and Game Propagation Fund		2,121
Intragovernmental Service Fund	433	258
County Departmental Trust Funds	396	396
Special Purpose Trust Funds	921,723	9,208
Agency Funds	466	27,976
Special Purpose Trust Funds:		
General Fund	28,827	5,832,633
Road Fund	49	67,349
Intragovernmental Service Fund	3,881	
County Departmental Trust Funds	9,208	921,723
Agency Funds	885	33,664
Agency Funds:		
General Fund	33,604	649,021
Road Fund	4,457	207,046
County Library Fund		5,708
Property Tax Collection Trust Funds	888,857	1,744
County Departmental Trust Funds	27,976	466
Special Purpose Trust Funds	33,664	885
Agency Funds	2,893,803	2,893,803
Total Trust and Agency Funds (Statement 6)	$ 5,283,025	$ 17,680,170
Total Interfund Accounts	$20,922,774	$ 20,922,774

TRUST AND AGENCY FUNDS
COMBINED STATEMENT OF INVESTMENTS
June 30, 1978

STATEMENT 9

	INTEREST RATES	MATURITY DATES	PAR VALUE	COST OR AMORTIZED COST	MARKET VALUE
Special Purpose Funds:					
Municipal Bonds	2.600-4.250	1978-1985	$ 24,000	23,893	22,046
Utility Bonds	2.750-8.750	1979-2012	654,000	646,771	564,621
Corporate Bonds	4.250-9.600	1986-2005	515,000	514,984	487,450
Railroad Bonds	4.500-7.750	1991-1992	250,000	250,000	212,187
U. S. Government Bonds	7.250	1984	100,000	100,000	94,187
State Government Bonds	3.750	1987	5,000	5,063	4,225
Foreign Bonds	3.750-9.875	1983-2000	215,000	214,676	209,229
Total			1,763,000	1,755,389	1,593,945
Employees' Retirement Fund:					
Utility Bonds	2.750-10.500	1989-2017	157,262,000	154,074,976	134,898,272
Corporate Bonds	4.250-9.750	1989-2007	45,334,000	44,415,370	41,250,199
Railroad Bonds	2.500-9.300	1984-2001	2,107,333	2,064,595	1,720,549
U. S. Government Bonds	5.200-9.250	1987-2001	20,144,581	19,736,458	18,285,165
Foreign Government Bonds	5.000-9.750	1994-2001	6,902,000	6,762,045	6,209,725
Real Property Leases Receivable	4.250-8.000	1980-1991	4,361,762	4,361,762	4,400,000
Total			236,111,676	231,415,207	206,763,910
Agency Funds:					
Corporate Bonds	8.200	1988	10,000	10,000	9,525
U. S. Government Bonds	4.125	1989-1994	10,000	10,000	7,600
Total			20,000	20,000	17,125
Total			$237,894,676	233,190,597 (Statement 6)	208,374,980

COMBINED STATEMENT OF TAXES RECEIVABLE
June 30, 1978

STATEMENT 10

TAXES	TOTAL	FUNDS		
		GENERAL	SPECIAL REVENUE	DEBT SERVICE
Secured:				
1977/78 Fiscal Year Levy	$2,387,162	2,269,475	88,533	29,154
Prior Fiscal Years' Levies	3,167.082	2,999,157	115,255	52,670
Unsecured:				
1977/78 Fiscal Year Levy	77,863	76,601	431	831
Prior Fiscal Years' Levies	288,148	284,665	1,533	1,950
Total Taxes Receivable	5,920,255	5,629,898	205,752	84,605
Less Estimated Uncollectible Taxes	3,329,343	3,168,697	113,556	47,090
Taxes Receivable, Net.	$2,590,912	2,461,201	92,196	37,515
		(Statement 2)	(Statement 3)	(Statement 4)

SCHEDULE OF
CASH IN COUNTY TREASURY
June 30, 1978

STATEMENT 11

Bank Deposits	TOTAL	GENERAL		SPECIFIC TIME DEPOSITS*
		DEMAND DEPOSITS	TIME DEPOSITS	
United California Bank	$ 11,530,004	1,175,280	10,234,724	120,000
Bank of America - Bonds and Coupons	266,175	266,175		
Bank of Commerce	1,500,000		1,500,000	
California Canadian Bank	2,000,000		2,000,000	
Crocker Bank	10,000,000		10,000,000	
First National Bank San Diego	1,000,000		1,000,000	
Grossmont Bank	2,000,000		2,000,000	
Home Federal Savings & Loan	500,000		500,000	
Imperial Bank	6,000,000		6,000,000	
Japan California Bank	1,000,000		1,000,000	
Lloyds of California	1,000,000		1,000,000	
Manufacturers Bank	1,500,000		1,500,000	
Mexican American Bank	700,000		700,000	
North County Bank	500,000		500,000	
Pacific Coast Bank	100,000		100,000	
Southwest Bank	500,000		500,000	
Sumitomo Bank of California	5,700,000		5,700,000	
Union Bank	10,000,000		10,000,000	
Wells Fargo Bank	10,000,000		10,000,000	
Women's Bank	100,000		100,000	
Travelers Insurance Company	8,710			8,710
Total	65,904,890	1,441,455	64,334,724	128,710
Cash in Office	523,185			
Cash in Short Term Securities	326,812,787			
Total (Statement 1A)	$393,240,864			

*Specific Time Deposits are held for
Louis A. Stelzer Trust Endowment Fund and
Deferred Compensation Investment Fund

SCHEDULE OF INSURANCE
June 30, 1978

STATEMENT 12

TYPE OF COVERAGE	AMOUNT OF COVERAGE
Foster Home Liability	$ 500,000
Airport Liability	1,000,000
Aircraft Liability	200,000/10,000,000
Airport Premises Liability	10,000,000
Helicopter Liability	10,000,000
Non-Owned Aircraft	1,000,000
All Risk Floater, Contractor's Equipment, County Engineer	100,000/500,000
Air Travel Accident	100,000/500,000
Steam Boiler and Unfired Pressure Vessels, Bodily Injury and Property Damage, Various Locations	500,000
Blanket Fire Insurance Policy - 13 Major County Properties	101,754,000
Blanket Fire Insurance Policy - Other County Properties (1)	3,000,000
Fire Policy, Electronic Data Processing, 1600 Pacific Highway	600,000
Automobile Fire and Theft (2)	200,000/1,000,000
Mexican Vehicle Policy (3)	80,000
Money and Securities - Broad Form (food stamps)	8,000,000
Money and Securities - Broad Form Policy, Loss Outside/Inside Premises	10,000/170,000
Official and Faithful Performance Bonds: All Employees (4)	100,000/400,000
County is Self-Insured for Premises Liability for Medical Facilities, Medical Malpractice, Errors and Omissions, False Arrest, Forgery Bond, Workers' Compensation, Automobile, Road Design and Volunteer Firefighters	

(1) This policy covers other County Properties, $3,000,000 for each location.
(2) This policy has a stated total limit of coverage at one location of $1,000,000, single unit of $200,000.
(3) This policy is for owned and nonowned vehicles in Mexico for third party property damage, bodily injury and medical expense.
(4) Elected and appointed officials are bonded for additional amounts equal to or exceeding the amounts required by law.

SCHEDULE OF
SOURCE OF FUNDS EXPENDED FOR PUBLIC ASSISTANCE
Year Ended June 30, 1978
(Pursuant to Sec. 10808 - Welfare and Institutions Code)

STATEMENT 13

ACTIVITY	SOURCE				TOTAL EXPENDITURES & ENCUMBRANCES
	STATE AID	FEDERAL AID	COUNTY PROPERTY TAXES	COUNTY OTHER REVENUE (1)	
Public Welfare	$56,395,340	88,952,290	26,532,645	960,084	172,840,361
Hospital Care	82,279	712,382	14,655,857	5,559,208	21,009,728
Care of Court Wards			175,986		175,986
Total	$56,477,620	89,664,673	41,364,488	6,519,293	194,026,075
Percentage of Cost	29.1	46.2	21.3	3.4	100.0

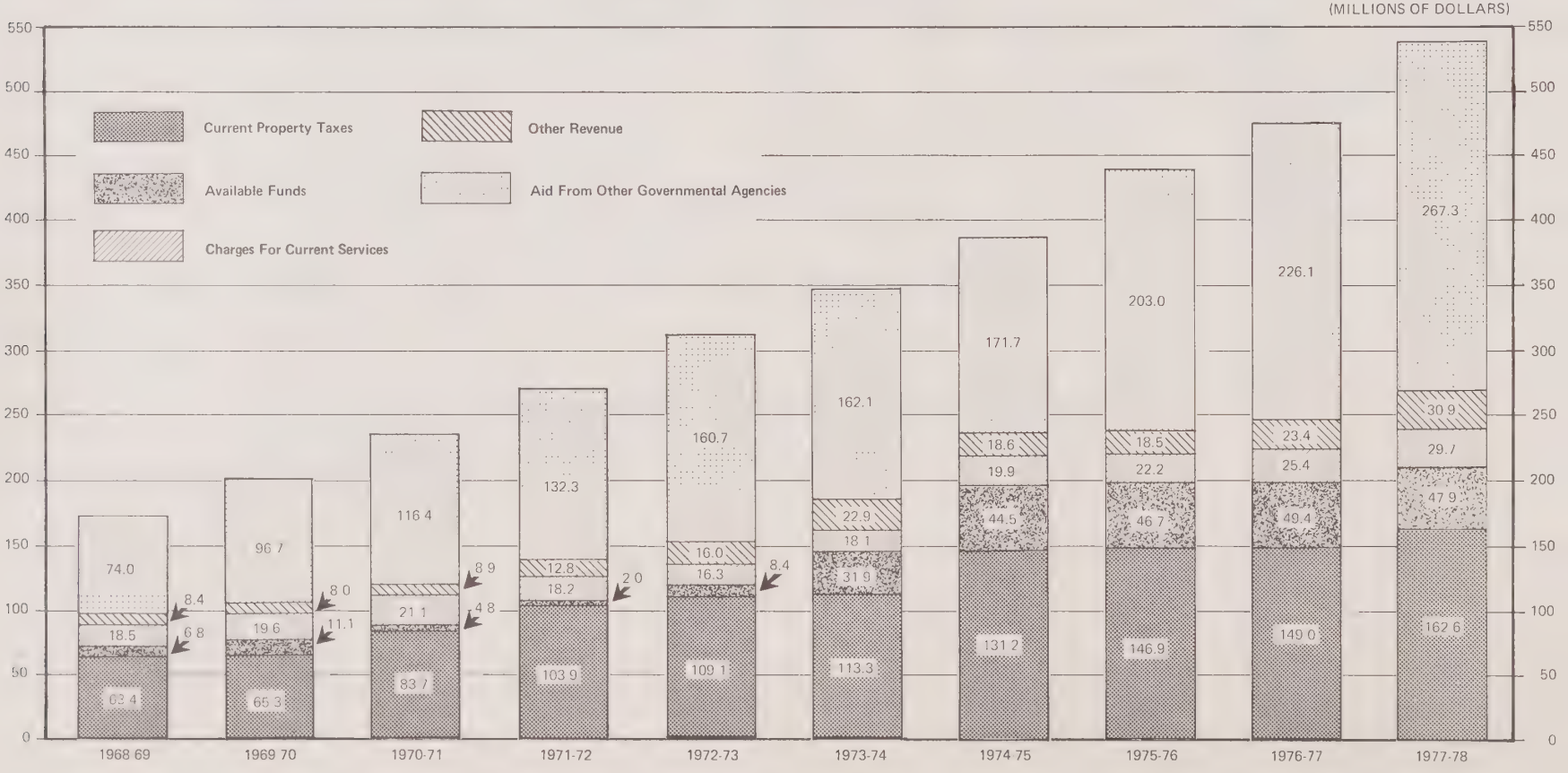
1 Includes charges for Current Service and Aid Repayment

COMPARISON OF GENERAL REVENUES BY SOURCE
COUNTY GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS
IN THOUSANDS OF DOLLARS
Fiscal Years 1968-1969 through 1977-1978

STATEMENT 14

	1968-69		1969-70		1970-71		1971-72		1972-73		1973-74		1974-75		1975-76		1976-77		1977-78	
	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Taxes	$ 63,451	37.1	65,324	32.5	83,702	35.6	103,908	38.6	109,063	35.1	113,282	32.5	131,179	34.0	146,911	33.6	149,040	31.5	162,608	30.2
Licenses, Permits, and Franchises*	1,029	.6	1,364	.7	1,729	.7	2,516	.9	3,417	1.1	3,598	1.0	3,539	.9	4,864	1.1	7,065	1.5	7,680	1.4
Fines, Forfeitures and Penalties	2,413	1.4	2,803	1.4	2,943	1.3	3,197	1.2	2,922	1.0	2,991	.9	3,663	.9	3,969	.9	4,479	.9	4,915	.9
Revenue from the Use of Money and Property	3,087	1.8	3,333	1.7	3,201	1.4	3,589	1.3	5,871	1.9	10,472	3.0	9,186	2.4	7,929	1.8	8,527	1.8	10,287	1.9
Aid from Other Governmental Agencies	74,001	43.2	96,744	48.2	116,351	49.5	132,342	49.2	160,668	51.7	162,044	46.5	171,682	44.5	202,980	46.4	226,117	47.8	267,332	49.7
Charges for Current Services	18,545	10.8	19,624	9.8	21,121	9.0	18,161	6.7	16,323	5.3	18,128	5.2	19,908	5.2	22,195	5.1	25,398	5.4	29,752	5.5
Other Revenue	1,924	1.1	416	.2	1,022	.4	3,467	1.3	3,826	1.2	5,880	1.7	2,257	.6	1,782	.4	3,352	.7	7,987	1.5
Inter-Fund Transfers	-128																			
Fund Balance Available from Prior Years	6,792	4.0	11,137	5.5	4,811	2.1	2,035	.8	8,424	2.7	31,939	9.2	44,548	11.5	46,696	10.7	49,362	10.4	47,883	** 8.9
Total	$171,114	100.0	200,745	100.0	234,880	100.0	269,215	100.0	310,514	100.0	348,334	100.0	385,962	100.0	437,326	100.0	473,340	100.0	538,444	100.0

*Franchises were included with the Taxes through 1975-76
**Local Transportation Fund Prior Year Fund Balance of $17,540 has not been included.
-Red Figure

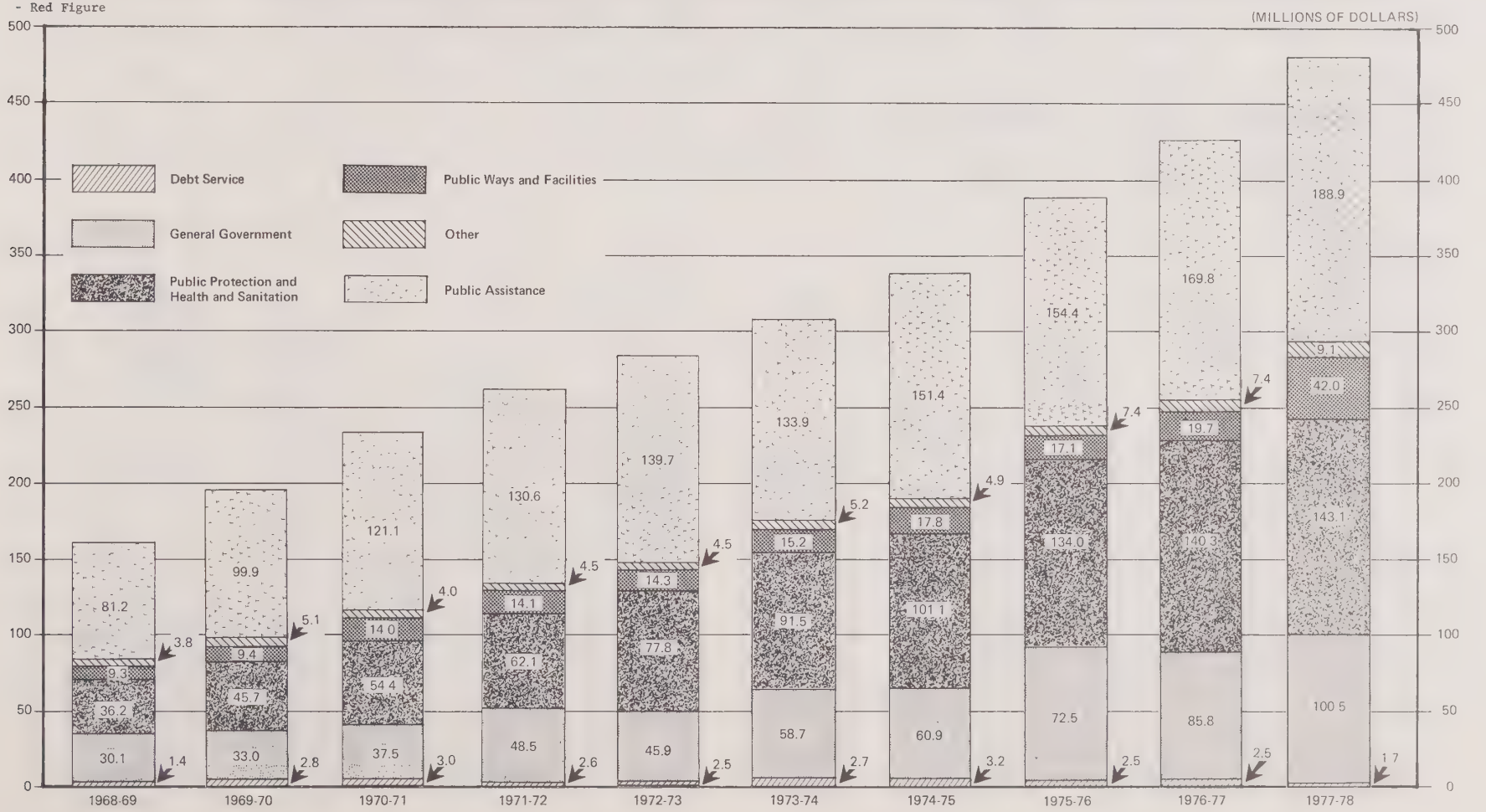


COMPARISON OF EXPENDITURES AND ENCUMBRANCES
COUNTY GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS
IN THOUSANDS OF DOLLARS
Fiscal Years 1968-1969 through 1977-1978

STATEMENT 15

FUNCTION	1968-69		1969-70		1970-71		1971-72		1972-73		1973-74		1974-75		1975-76		1976-77		1977-78	
	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
General Government	$ 30,086	18.6	33,015	16.8	37,486	16.0	48,484	18.5	45,932	16.1	58,720	19.1	60,938	18.0	72,514	18.7	85,858	20.2	100,523	20.7
Public Protection	28,693	17.7	33,653	17.2	39,817	17.0	44,738	17.0	56,263	19.8	66,357	21.6	76,782	22.6	82,139	21.1	86,425	20.3	90,520	18.6
Public Ways and Facilities	9,262	5.7	9,396	4.8	13,962	6.0	14,156	5.4	14,250	5.0	15,226	5.0	17,761	5.2	17,092	4.4	19,678	4.6	41,977	8.7
Health and Sanitation	7,526	4.6	12,056	6.1	14,617	6.2	17,398	6.6	21,551	7.6	25,123	8.2	24,284	7.2	51,906	13.4	53,924	12.7	52,603	10.8
Public Assistance	81,162	50.1	99,953	51.0	121,127	51.8	130,585	49.8	139,668	49.0	133,855	43.6	151,425	44.6	154,433	39.8	169,744	39.9	188,868	38.9
Education	1,993	1.2	2,280	1.2	1,932	.8	2,305	.9	2,747	1.0	2,827	.9	2,614	.8	3,521	.9	4,240	1.0	4,158	.9
Recreation and Cultural Services	1,568	1.0	2,493	1.3	2,036	.9	2,199	.8	1,739	.6	2,394	.8	2,287	.7	3,840	1.0	3,138	.7	4,946	1.0
Public Service Enterprises	261	.2	324	.2	-9		-21		93		-25									
Debt Service	1,415	.9	2,770	1.4	2,994	1.3	2,584	1.0	2,461	.9	2,683	.8	3,179	.9	2,517	.7	2,490	.6	1,707	.4
Total	$161,966	100.0	195,941	100.0	233,962	100.0	262,428	100.0	284,704	100.0	307,160	100.0	339,270	100.0	387,962	100.0	425,497	100.0	485,302	100.0

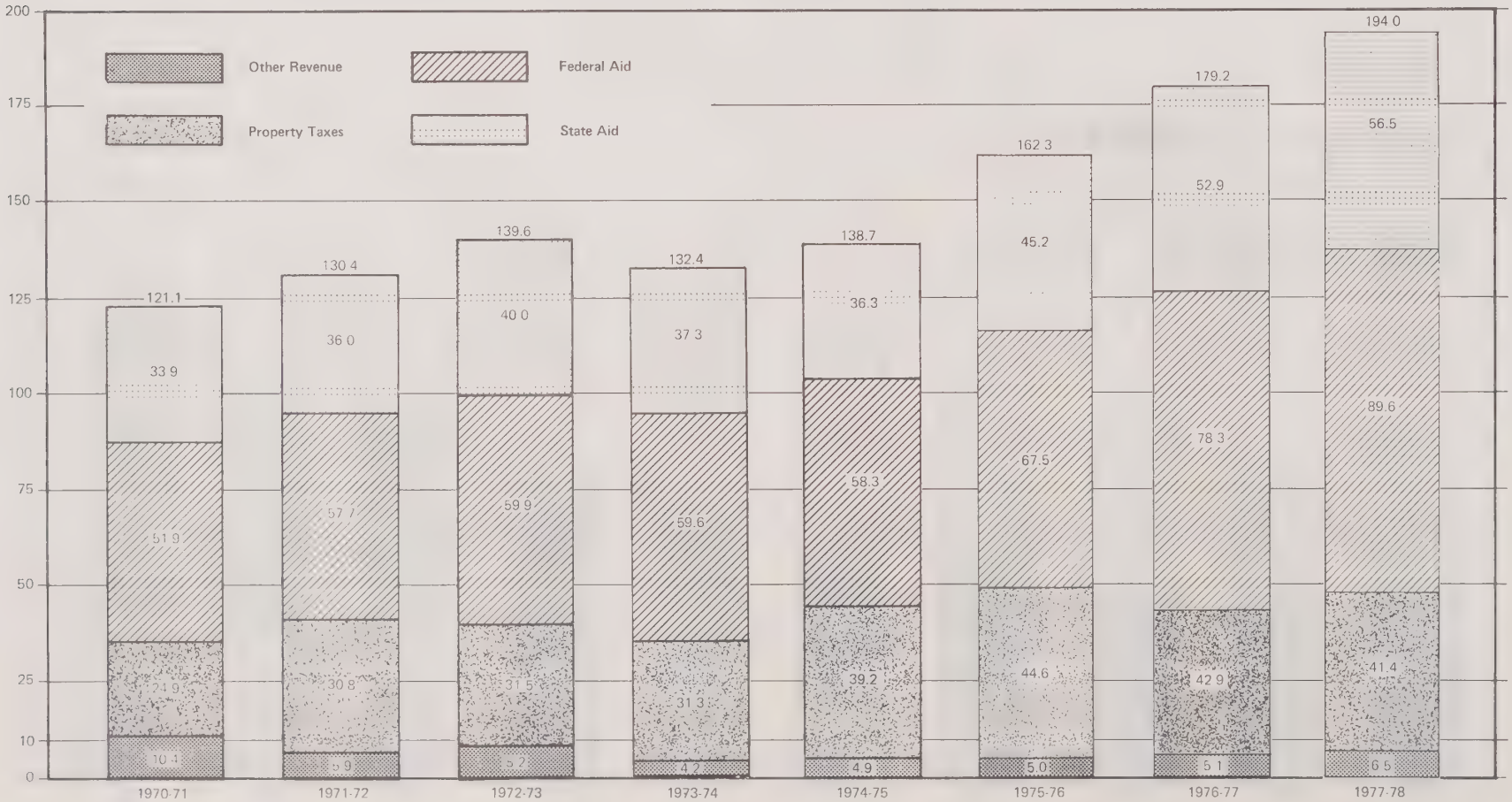
- Red Figure



COMPARISON OF SOURCE OF FUNDS
EXPENDED FOR PUBLIC ASSISTANCE IN MILLIONS OF DOLLARS
Fiscal Years 1970-1971 through 1977-1978

STATEMENT 16

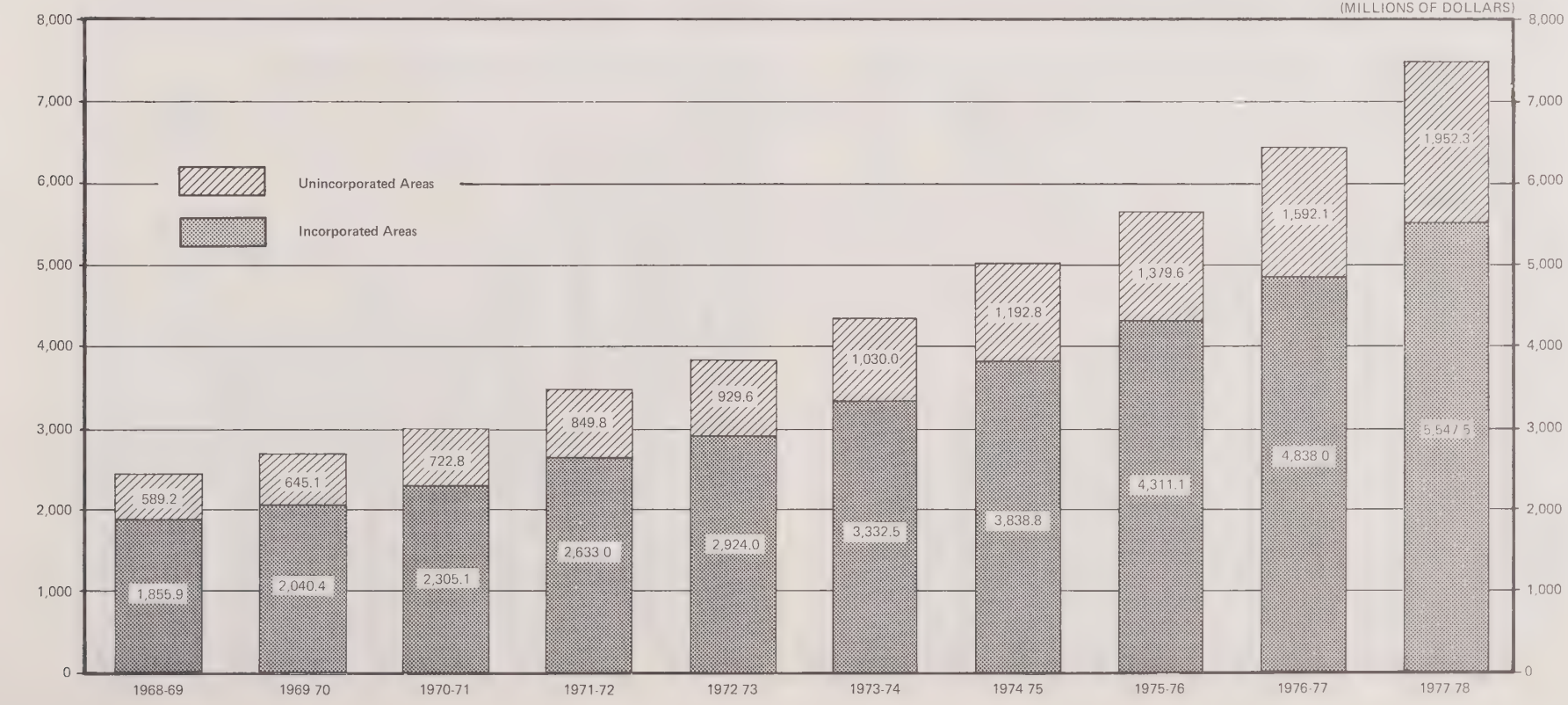
SOURCE OF FUNDS EXPENDED	1970-71 DOLLAR AMOUNT	1970-71 % OF TOTAL	1971-72 DOLLAR AMOUNT	1971-72 % OF TOTAL	1972-73 DOLLAR AMOUNT	1972-73 % OF TOTAL	1973-74 DOLLAR AMOUNT	1973-74 % OF TOTAL	1974-75 DOLLAR AMOUNT	1974-75 % OF TOTAL	1975-76 DOLLAR AMOUNT	1975-76 % OF TOTAL	1976-77 DOLLAR AMOUNT	1976-77 % OF TOTAL	1977-78 DOLLAR AMOUNT	1977-78 % OF TOTAL
State Aid	33.9	28.0	36.0	27.6	40.0	28.7	37.3	28.1	36.3	26.2	45.2	27.9	52.9	29.5	56.5	29.1
Federal Aid	51.9	42.9	57.7	44.2	59.9	42.9	59.6	45.0	58.3	42.0	67.5	41.6	78.3	43.7	89.6	46.2
Property Taxes	24.9	20.5	30.8	23.6	31.5	22.6	31.3	24.0	39.2	28.3	44.6	27.5	42.9	24.0	41.4	21.3
Other Revenue	10.4	8.6	5.9	4.6	8.2	5.8	4.2	2.9	4.9	3.5	5.0	3.0	5.1	2.8	6.5	3.4
Total Source of Funds	121.1	100.0	130.4	100.0	139.6	100.0	132.4	100.0	138.7	100.0	162.3	100.0	179.2	100.0	194.0	100.0



COMPARISON OF ASSESSED VALUATIONS
SECURED AND UNSECURED
Fiscal Years 1968-1969 through 1977-1978

STATEMENT 17

	1968-1969	1969-1970	1970-1971	1971-1972	1972-1973	1973-1974	1974-1975	1975-1976	1976-1977	1977-1978
Secured Property:										
Land	$ 966,080,850	1,098,696,099	1,246,570,010	1,449,031,664	1,568,541,856	1,732,985,961	1,973,287,272	2,239,857,431	2,502,115,036	2,921,539,627
Improvements	1,174,553,950	1,301,304,470	1,441,422,190	1,665,950,039	1,866,627,513	2,139,664,417	2,498,488,776	2,822,575,006	3,220,646,100	3,821,421,696
Personal Property	221,832,580	160,145,464	176,996,715	171,765,772	182,268,385	193,664,097	216,523,345	251,165,933	278,256,278	308,340,140
Gross Secured Valuations	2,362,467,380	2,560,146,033	2,864,988,915	3,286,747,475	3,617,437,754	4,066,314,475	4,688,299,393	5,313,598,370	6,001,017,414	7,051,301,463
Exemptions	119,795,670	117,591,348	120,649,538	117,601,859	119,263,572	107,121,952	119,447,021	139,737,067	131,437,238	176,373,660
Net Secured Valuations	2,242,671,710	2,442,554,685	2,744,339,377	3,169,145,616	3,498,174,182	3,959,192,523	4,568,852,372	5,173,861,303	5,869,580,176	6,874,927,803
Unsecured Property:										
Land	9,570,100	12,467,330	15,662,646	17,687,503	17,170,756	17,638,397	21,711,396	22,691,390	22,999,623	24,744,702
Improvements	42,172,160	50,261,537	61,236,098	68,445,414	81,593,782	88,577,527	110,148,854	127,328,989	151,150,032	158,489,089
Personal Property	152,594,280	181,816,316	209,919,206	230,964,946	260,252,641	301,580,085	337,130,195	375,339,092	395,401,876	452,887,603
Gross Unsecured Valuations	204,336,540	244,545,183	286,817,950	317,097,863	359,017,179	407,796,009	468,990,445	525,359,471	569,551,531	636,121,394
Exemptions	1,818,530	1,569,078	3,294,643	3,421,569	3,578,830	4,452,654	6,225,105	8,577,549	9,033,555	11,217,577
Net Unsecured Valuations	202,518,010	242,976,105	283,523,307	313,676,294	355,438,349	403,343,355	462,765,340	516,781,922	560,517,976	624,903,817
Net Valuations	$ 2,445,189,720	2,685,530,790	3,027,862,684	3,482,821,910	3,853,612,531	4,362,535,878	5,031,617,712	5,690,643,225	6,430,098,152	7,499,831,620

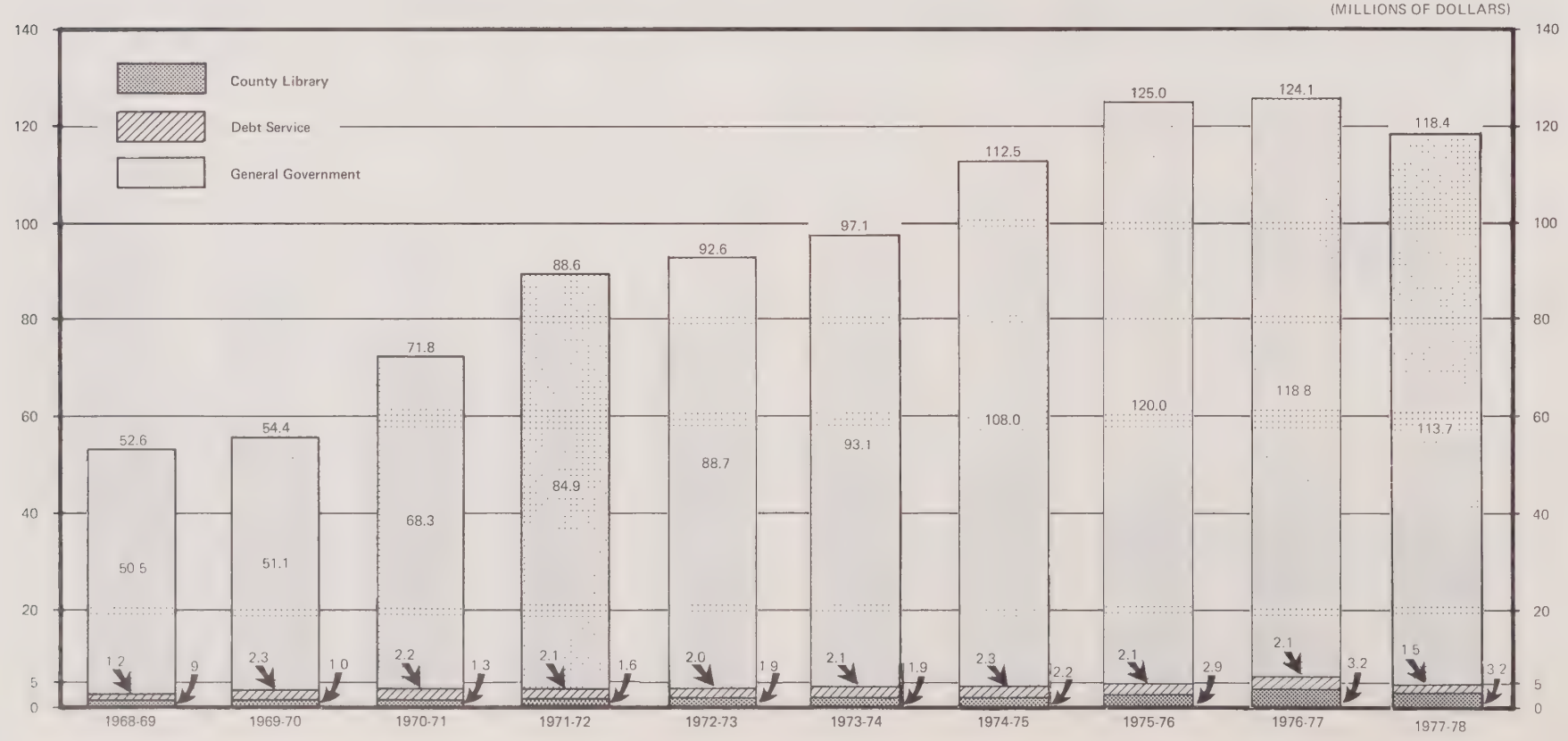


COMPARISON OF COUNTY SECURED TAX LEVIES
AFTER DUE ALLOWANCE FOR DELINQUENCIES
Fiscal Years 1968-1969 through 1977-1978

STATEMENT 18

FISCAL YEAR	TOTAL	GENERAL FUND	INTEREST AND DEBT REDEMPTION	LIBRARY	PERCENT* DELINQUENCY ALLOWANCE
1968-69	$ 52,655,409	50,532,090	1,198,916	924,403	3.00
1969-70	54,443,024	51,101,016	2,316,285	1,025,723	2.25
1970-71	71,793,327	68,273,726	2,172,490	1,347,111	2.10
1971-72	88,519,949	84,835,612	2,114,356	1,569,981	2.50
1972-73	92,601,714	88,681,485	2,041,366	1,878,863	2.75
1973-74	97,141,997	93,132,284	2,071,963	1,937,750	2.75
1974-75	112,517,308	107,972,720	2,294,702	2,249,886	3.75
1975-76	125,016,574	120,054,830	2,097,300	2,864,444	4.25
1976-77	124,063,848	118,750,505	2,118,628	3,194,715	4.00
1977-78	118,362,908	113,682,014	1,451,063	3,229,831	3.75

*This Delinquency Allowance is applicable to the Debt Service and General Fund only.
1977-78 delinquency allowance for the Library is 3.0.

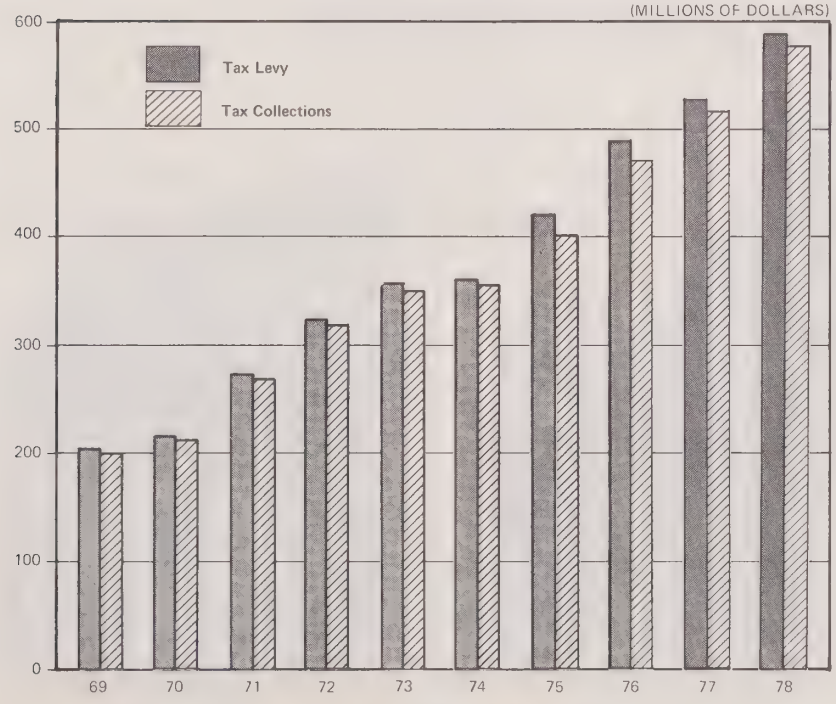


COMPARISON OF SECURED AND UNSECURED TAX COLLECTIONS
(Includes all Districts and Other Agencies for which the County Collects Taxes)
Fiscal Years 1968-1969 through 1977-1978

STATEMENT 19

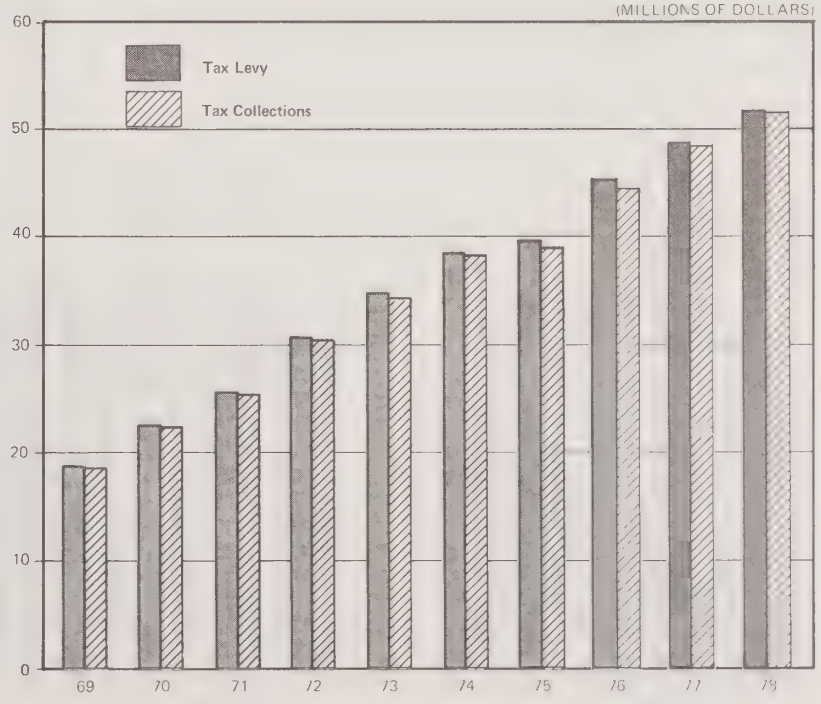
	SECURED TAXES				UNSECURED TAXES			
	TOTAL TAX LEVY	TOTAL TAX COLLECTIONS	PRIOR TAXES CHARGED TO REDEMPTION OFFICER	PERCENT OF COLLECTIONS TO TAX LEVY	TOTAL TAX LEVY	TOTAL TAX COLLECTIONS	PRIOR TAXES CHARGED TO REDEMPTION OFFICER	PERCENT OF COLLECTIONS TO TAX LEVY
1968-69.	$206,878,581	203,729,010	3,149,571	98.4	18,997,267	18,873,403	123,864	99.3
1969-70.	219,913,471	216,199,792	3,713,679	98.3	22,668,188	22,602,424	65,764	99.7
1970-71.	274,450,206	269,782,132	4,668,074	98.3	25,820,170	25,735,090	85,080	99.6
1971-72.	324,763,996	319,464,780	5,299,216	98.3	30,806,202	30,743,888	62,314	99.7
1972-73.	358,792,386	353,016,661	5,775,725	98.3	34,962,642	34,668,354	294,288	99.1
1973-74.	360,219,901	350,915,563	9,304,338	97.4	38,345,040	38,189,537	155,503	99.5
1974-75.	419,403.051	404,095,983	15,307,068	96.3	39,615,387	39,275,580	339,807	99.1
1975-76.	487,167,753	471,316,736	15,851,017	96.7	44,928,341	44,160,364	767,977	98.3
1976-77.	529,262,007	516,774,904	12,487,103	97.6	48,684,417	48,336,628	347,789	99.3
1977-78.	588,357,809	575,453,350	12,904,459	97.8	51,693,666	51,461,077	232,589	99.6

SECURED TAX LEVY AND COLLECTIONS



Year Ended June 30

UNSECURED TAX LEVY AND COLLECTIONS



Year Ended June 30

COMPARISON OF COUNTY TAX RATES
AND SAN DIEGO CITY PROPERTY TAX RATES
(Rates Per $100.00 Assessed Valuations)
Fiscal Years 1968-1969 through 1977-1978

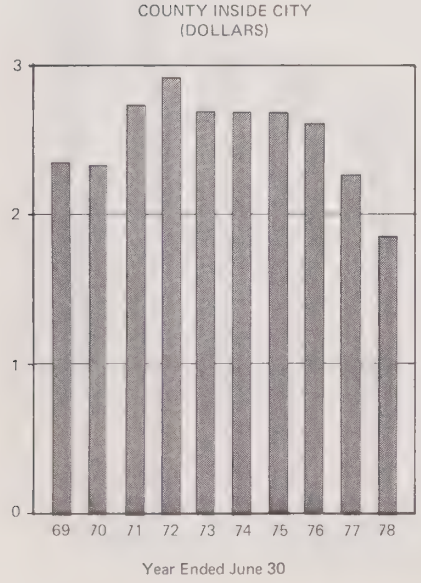
STATEMENT 20

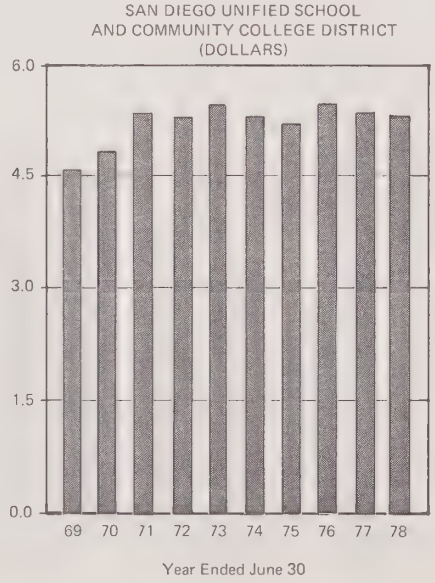
FISCAL YEAR	COUNTY PROPERTY TAX RATES*			BASIC SAN DIEGO CITY PROPERTY TAX RATES**						
	INSIDE CITIES	LIBRARY	OUTSIDE CITIES	COUNTY INSIDE CITY	OTHER EDUCATION PURPOSE	SAN DIEGO UNIFIED SCHOOL AND COMMUNITY COLLEGE	SAN DIEGO CITY	WATER AUTHORITY	SAN DIEGO UNIFIED PORT DISTRICT	TOTAL
1968-69	$ 2.370	.122	2.492	2.370	.017	4.642	1.729	.000	.045	8.803
1969-70	2.350	.129	2.479	2.350	.023	4.869	1.729	.000	.000	8.971
1970-71	2.745	.152	2.897	2.745	.078	5.353	1.959	.000	.000	10.135
1971-72	2.939	.151	3.090	2.939	.108	5.323	1.809	.000	.000	10.179
1972-73	2.711	.159	2.870	2.711	.147	5.474	1.774	.000	.000	10.106
1973-74	2.711	.159	2.870	2.711	.134	5.331	1.753	.000	.000	9.929
1974-75	2.691	.159	2.850	2.691	.144	5.245	1.753	.000	.000	9.833
1975-76	2.621	.173	2.794	2.621	.161	5.515	1.733	.000	.000	10.030
1976-77	2.282	.167	2.449	2.282	.155	5.372	1.548	.000	.000	9.357
1977-78	1.825	.135	1.960	1.825	.151	5.341	1.357	.000	.000	8.674

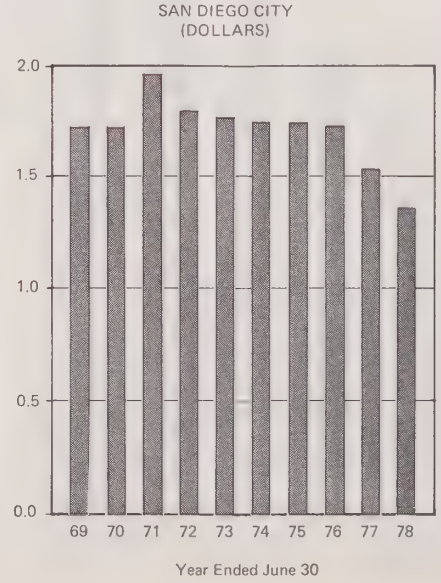
* Does not include rates established for Trainable Mentally Retarded Minors or County School Building Aid Repayment, as these are not county-wide.

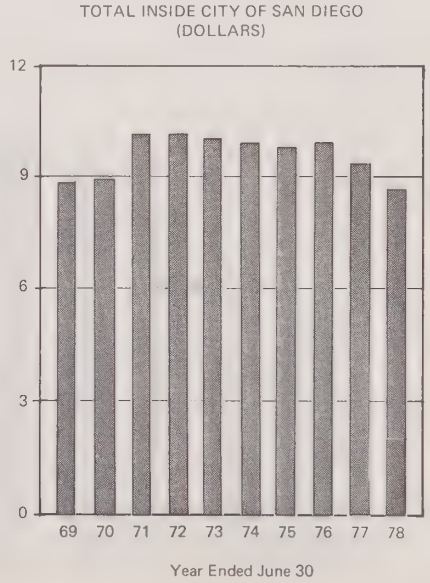
** San Diego City rates listed are for the major portion of the City of San Diego.

Annexations, de-annexations, formation or dissolution of special districts may cause tax rate for other City of San Diego areas to vary from the basic rate.







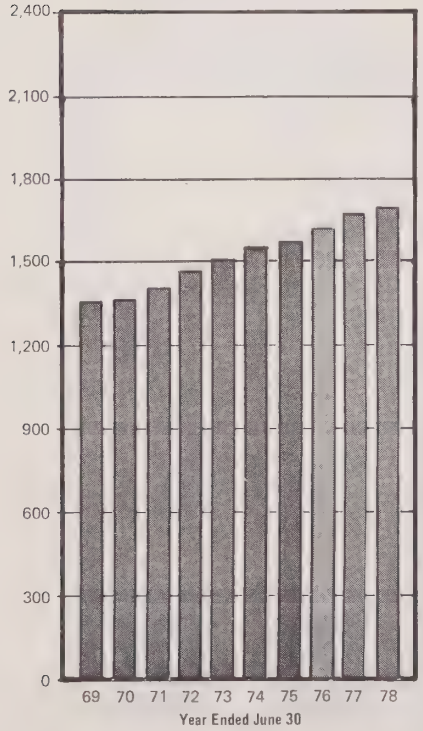


LEGAL DEBT MARGIN,
PERCENTAGE OF BONDED DEBT TO TOTAL ASSESSED
VALUATION AND BONDED DEBT PER CAPITA
Fiscal Years 1968-1969 through 1977-1978

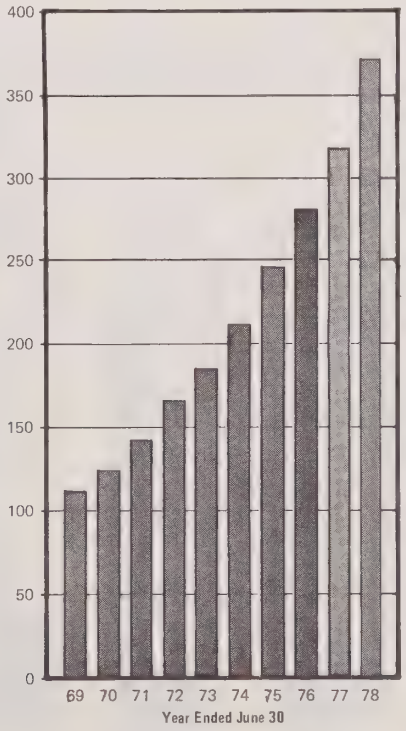
STATEMENT 21

FISCAL YEAR	POPULATION PER OFFICIAL U. S. CENSUS	TOTAL ASSESSED VALUATION	LEGAL DEBT LIMIT**	BONDED DEBT	LEGAL DEBT MARGIN	RATIO OF BONDED DEBT TO ASSESSED VALUATION	BONDED DEBT PER CAPITA
1968-69	1,356,600*	$ 2,445,189,720	122,259,486	11,055,000	111,204,486	.45	8.15
1969-70	1,357,854	2,685,530,790	134,276,540	10,005,000	124,271,540	.37	7.37
1970-71	1,408,900*	3,027,862,684	151,393,134	8,955,000	142,438,134	.30	6.36
1971-72	1,467,600*	3,482,821,910	174,141,095	7,900,000	166,241,095	.23	5.38
1972-73	1,502,067*	3,853,612,531	192,680,626	6,820,000	185,860,626	.18	4.54
1973-74	1,544,600*	4,362,535,878	218,126,794	5,715,000	212,411,794	.13	3.70
1974-75	1,559,505	5,031,617,712	251,580,886	4,580,000	247,000,886	.09	2.94
1975-76	1,600,000*	5,690,643,225	284,532,161	3,835,000	280,697,161	.07	2.40
1976-77	1,656,800	6,430,098,152	321,504,908	3,060,000	318,444,908	.05	1.84
1977-78	1,694,800	7,499,831,620	374,991,581	2,260,000	372,731,581	.03	1.33

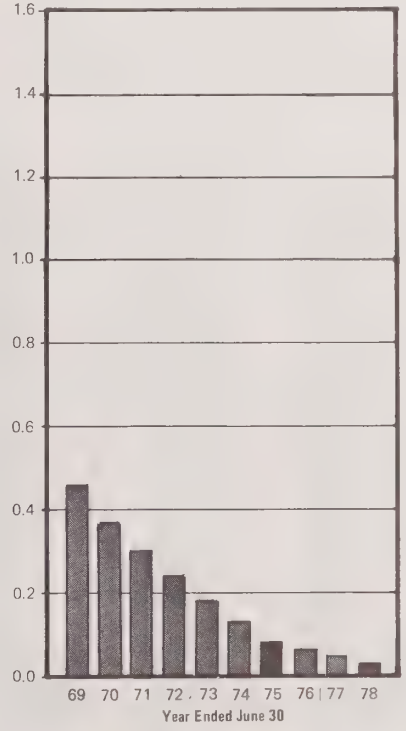
* Estimated
** Legal Debt Limit is 5% of Assessed Valuation



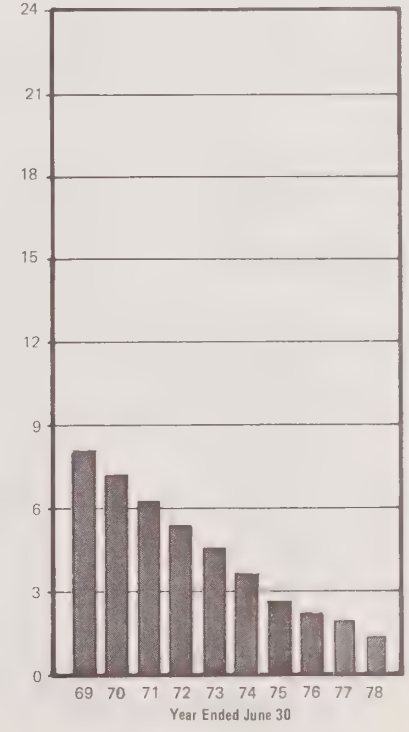
POPULATION
IN THOUSANDS



LEGAL DEBT MARGIN
(MILLIONS OF DOLLARS)



RATIO OF BONDED DEBT
TO ASSESSED VALUATION
IN PERCENTAGES



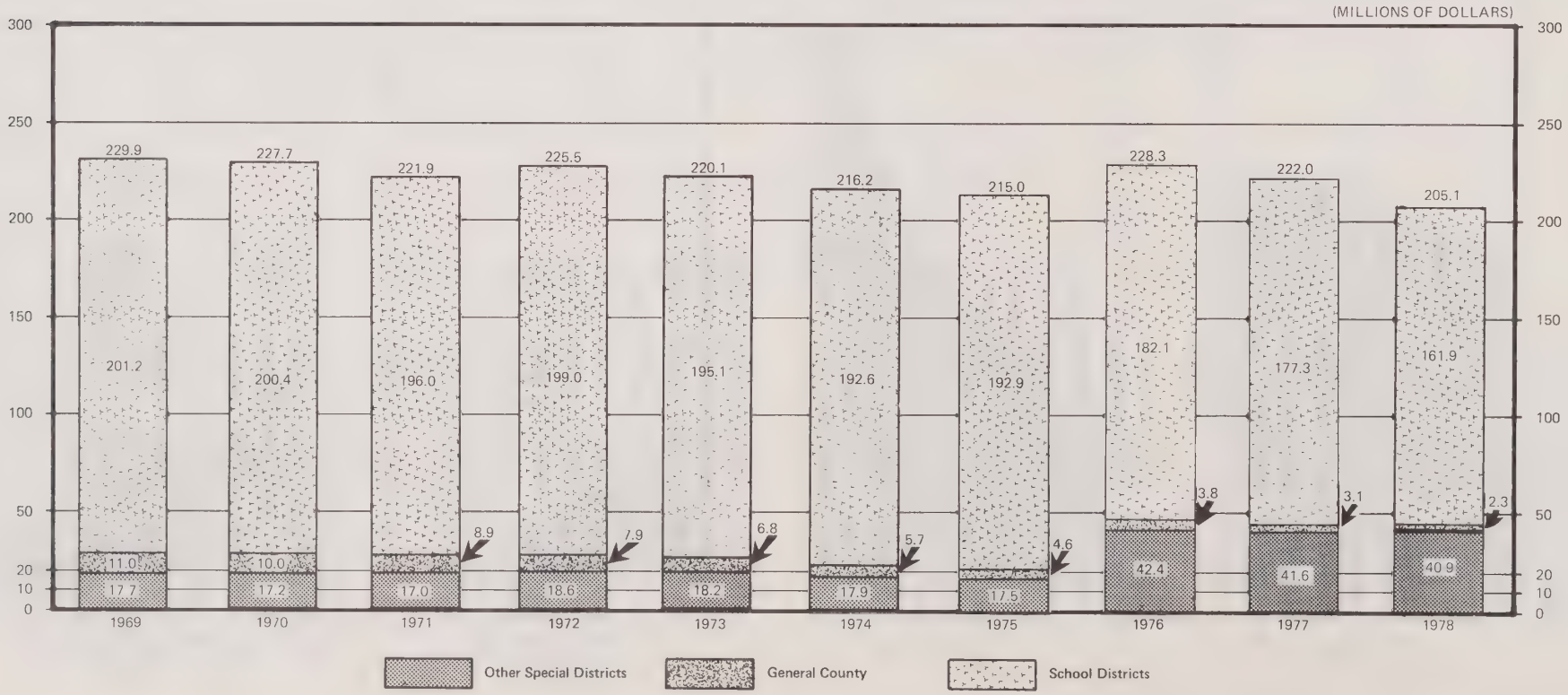
BONDED DEBT PER CAPITA
(DOLLARS)

COMPARISON OF OUTSTANDING BONDED INDEBTEDNESS
Fiscal Years 1968-1969 through 1977-1978

STATEMENT 22

	TOTAL	GENERAL COUNTY	OTHER SPECIAL DISTRICTS*	SCHOOL DISTRICTS*
June 30, 1969	$ 229,981,000	11,055,000	17,769,000	201,157,000
June 30, 1970	227,707,000	10,005,000	17,298,000	200,404,000
June 30, 1971	221,918,000	8,955,000	17,007,000	195,956,000
June 30, 1972	225,530,000	7,900,000	18,630,000	199,000,000
June 30, 1973	220,085,000	6,820,000	18,209,000	195,056,000
June 30, 1974	216,200,000	5,715,000	17,851,000	192,634,000
June 30, 1975	214,999,000	4,580,000	17,519,000	192,900,000
June 30, 1976	228,329,000	3,835,000	42,360,000	182,134,000
June 30, 1977	221,986,000	3,060,000	41,644,000	177,282,000
June 30, 1978	205,064,000	2,260,000	40,913,000	161,891,000

* Cleared through the County Treasurer, but County is not liable.

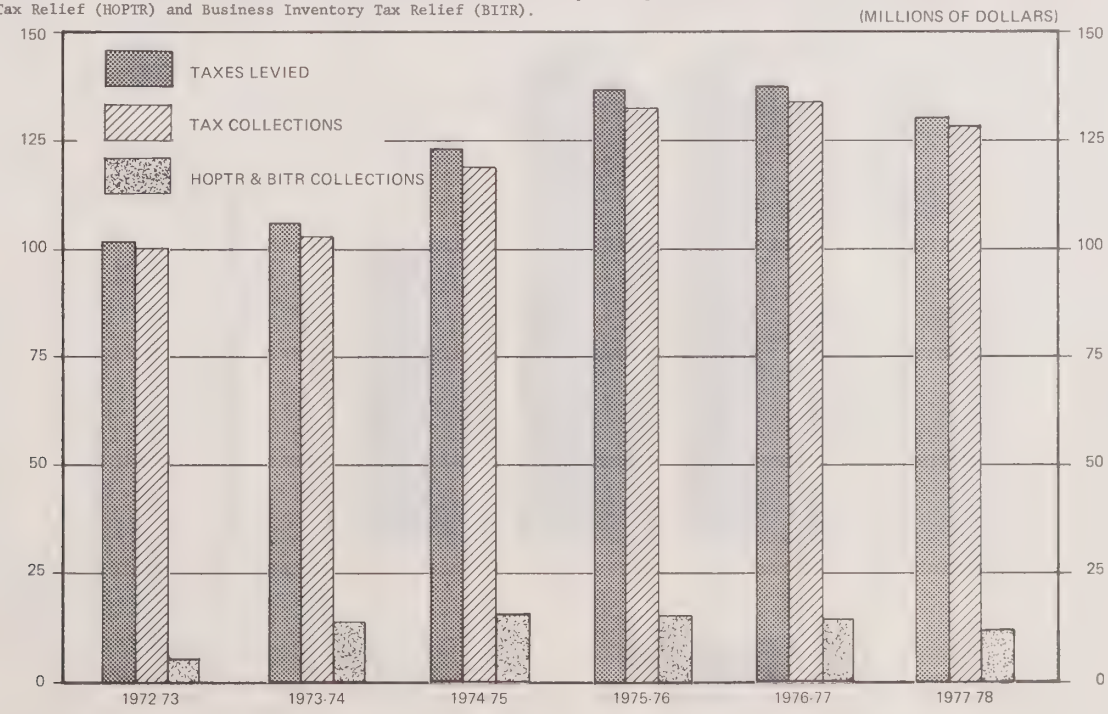


COMPARISON OF COUNTY ASSESSED VALUE
TAXES LEVIED AND TAX COLLECTIONS
IN THOUSANDS OF DOLLARS
Fiscal Years 1972-1973 through 1977-1978

STATEMENT 23

	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78
Assessed Valuations and Tax Rates*						
Secured	3,498,174	3,959,192	4,568,852	5,173,861	5,869,580	6,874,928
Tax Rate (Countywide only not including Library)	2.711	2.711	2.691	2.621	2.282	1.825
Unsecured	355,438	403,343	462,765	516,781	560,518	624,904
Tax Rate	2.939	2.711	2.711	2.691	2.621	2.282
Tax Levy (Including Library)	102,140	106,830	123,081	137,069	137,880	130,975
Tax Collections (Including Library)	100,527	103,208	119,571	133,517	134,104	128,580
Prior Taxes Charged to Redemption Officer	1,613	3,622	3,509	3,552	3,776	2,395
Percent of Collections	98.4	96.6	97.2	97.4	97.3	98.2
HOPTR & BITR Valuations Reimbursed by State of California						
Secured	146,245	429,550	455,906	481,467	502,627	520,164
Unsecured	38,275	66,939	91,888	104,187	100,129	116,032
HOPTR & BITR Collections	5,231	13,751	15,194	15,784	14,594	12,533

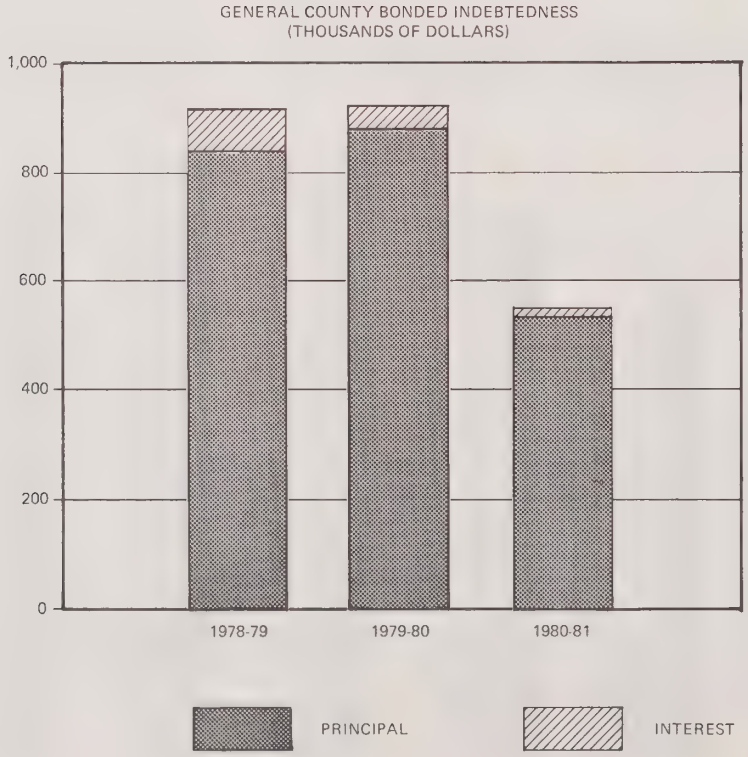
*Assessed Valuations are based on the original Assessment Roll and do not reflect subsequent adjustments, and are shown gross including valuations attributable to Home Owners' Property Tax Relief (HOPTR) and Business Inventory Tax Relief (BITR).



COMPARISON OF FUTURE
REQUIREMENTS FOR LONG TERM DEBT-GENERAL
COUNTY BONDED INDEBTEDNESS
Fiscal Years 1978-1979 through 1980-1981

STATEMENT 24

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
1978-1979	$ 840,000	78,918	918,918
1979-1980	880,000	49,275	929,275
1980-1981	540,000	18,225	558,225
Total	$2,260,000	146,418	2,406,418



MISCELLANEOUS STATISTICAL DATA
June 30, 1978

GEOGRAPHICAL LOCATION: The Southwesternmost county in California and the continental United States. Bounded by Mexico on the South, Riverside and Orange Counties on the North, Imperial County on the East, and the Pacific Ocean on the West. Extends North to South approximately 60 miles and East to West 70 miles.

ALTITUDE: Sea level to 6,500 feet.

AREA OF COUNTY: Approximately 4,200 square miles.

COUNTY SEAT: San Diego, California

FORM OF GOVERNMENT: Chartered County, governed by five-member Board of Supervisors.

DATE COUNTY CHARTER ADOPTED: July 1, 1933

FISCAL YEAR BEGINS: July 1.

POPULATION (Official U.S. Census):

Year	Population	Percent Of Increase
April, 1910	61,665	
April, 1920	112,248	82
April, 1930	209,659	87
April, 1940	289,348	38
April, 1950	556,808	92
April, 1960	1,033,011	86
April, 1970	1,357,854	33
April, 1975	1,559,505	15
Jan., 1978	1,694,800	8

INCORPORATED CITIES:

Carlsbad	El Cajon	Oceanside
Chula Vista	Escondido	National City
Coronado	Imperial Beach	San Diego
Del Mar	La Mesa	San Marcos
	Lemon Grove	Vista

TOTAL COUNTY EMPLOYEES AT JUNE 30:

Year	Number of Employees	Percent of Increase over Previous Year	Number of Employees Per Thousand Population
1966	6,317	3	5.17
1967	6,365	.76*	4.90
1968	6,601	3.7	4.94
1969	7,021	6.4	5.18
1970	7,967	17.1	5.80
1971	8,310	4.3	5.90
1972	9,307	12.0**	6.34
1973	9,812	5.4**	6.57
1974	10,411	6.1**	6.74
1975	10,904	4.5	6.99
1976	10,559	(3.2)	6.60
1977	10,951	.04	6.61
1978	11,373	.04	6.71

*The University of California assumed operation of a major portion of the County Hospital on July 1, 1966. Approximately 400 County Employees transferred to the University of California at that time.

**Includes 304, 165, and 26, respectively, Public Employment participants.

REGISTERED VOTERS: Primary Election, June 6, 1978 - 828,628

NUMBER VOTING: 535,334

PERCENT VOTING: 64.6%

MILES OF COUNTY-MAINTAINED STREETS (Unincorporated Areas Only):

Select System (Circulation Element County General Plan)	1,155.26
Minor System (All Other Maintained Roads)	1,040.99

SPECIAL DISTRICTS:

	Number		Number
Cemetery	5	Parking	1
Community Services	6	Public Utility	3
County Service Area	87	Recreation and Parks	2
Fire	20	Resource Conservation	6
Flood Control (Includes 6 zones)	1	Sanitary	2
		Sanitation	15
Hospital	4	Sewer	1
Irrigation	5	Small Craft Harbor	1
Lighting	17	Unified Port	1
Maintenance:		Water:	
Drainage	1	California	4
Lighting	15	County	7
Park	1	Miscellaneous	1
Sewer	1	Municipal	17
Mosquito Abatement	1	Water Conservation	1
Road	1		

SEWERS MAINTAINED BY SPECIAL DISTRICTS:

Districts Connected to Metropolitan System	5
Water Pollution Control Facilities	7
Sewer Lines, Miles	514
Sewer Connections	37,850

CONSTRUCTION PERMITS (Unincorporated Area Only):

Year	Electrical and Plumbing	Construction	Estimated Cost of Construction
1965-66	10,497	5,955	50,455,800
1966-67	9,468	5,609	47,133,600
1967-68	11,631	6,697	64,054,100
1968-69	14,730	9,757	93,671,320
1969-70	16,438	10,179	100,872,900
1970-71	19,569	11,845	145,989,800
1971-72	21,023	14,108	201,902,000
1972-73	27,803	15,657	267,195,908
1973-74	21,519	12,838	177,160,945
1974-75	18,128	12,251	163,619,145
1975-76	21,004	13,301	284,769,708
1976-77	28,086	21,011	407,909,537
1977-78	31,203	18,257	512,154,919

MISCELLANEOUS STATISTICAL DATA
June 30, 1978

MAJOR INDUSTRY GROUP OF EMPLOYED PERSONS FOR SAN DIEGO COUNTY

	1978 Employed	1977 Payroll
Agriculture and Fishing	11,300*	$ 125,250,254
Mining	800	16,770,354
Contract Construction	34,200	525,519,564
Manufacturing:		1,049,445,716
Food and Kindred	5,600	
Apparel and Textiles	3,600	
Printing and Publishing	6,000	
Chemicals	1,300	
Wood, Furnitures and Fixtures	1,800	
Stone, Clay and Glass	900	
Metals	5,200	
Machinery	25,600	
Aero Space	14,700	
Shipbuilding and Repair	8,700	
Miscellaneous Manufacturing	9,800	
Transportation, Communication and Public Utilities	25,200	$ 364,407,090
Wholesale and Retail Trade	131,100	1,016,202,028
Finance, Real Estate and Insurance	31,700	319,430,677
Service Industries	117,700	967,855,145
Government	142,200	
Not Elsewhere Classified	69,100	7,857,218
TOTAL EMPLOYED	635,200	
Unemployed	43,800	
TOTAL CIVILIAN LABOR FORCE	679,000	
TOTAL CIVILIAN PAYROLL		$4,392,738,046

* 1977 yearly average. Not available for 1978;therefore not included in total.

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